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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended JUNE 30 , 1999

or

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the transition period from_____ to _____

Commission file number 0-20047

CORPORATE OFFICE PROPERTIES TRUST
(Exact name of registrant as specified in its charter)

MARYLAND	23-2947217
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
401 CITY AVENUE, SUITE 615, BALA CYNWYD, PA	19004
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (610) 538-1800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

/X/ Yes / / No

On August 13, 1999, 17,174,171 shares of the Company's Common Shares of Beneficial Interest, $0.01 par value, were outstanding.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CORPORATE OFFICE PROPERTIES TRUST
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

<TABLE>
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	June 30, 1999	December 31, 1998
	(unaudited)	
<S>	<C>	<C>
ASSETS		
Commercial real estate properties:		
Operating properties, net	$ 534,530	$ 536,228
Projects under construction	25,553	10,659
Total commercial real estate properties, net	560,083	546,887
Cash and cash equivalents	6,250	2,349
Accounts receivable, net	2,040	2,986
Investment in and advances to Service Companies	4,200	2,351
Deferred rent receivable	3,297	2,263
Deferred charges, net	3,862	3,542
Prepaid and other assets	3,661	3,299
TOTAL ASSETS	$ 583,393	$ 563,677
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Mortgage and other loans payable	$ 318,179	$ 306,824
Accounts payable and accrued expenses	5,127	3,395
Rents received in advance and security deposits	2,743	2,789
Dividends/distributions payable	4,792	4,692
Other liabilities	1,217	--
Total liabilities	332,058	317,700
Minority interests:		
Preferred Units	52,500	52,500
Common Units	29,548	24,696
Total minority interests	82,048	77,196
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Preferred Shares ($0.01 par value; 5,000,000 authorized);		
1,025,000 designated as Series A Cumulative Convertible Preferred Shares of beneficial interest (984,308 shares issued and outstanding)	10	10
1,725,000 designated as Series B Cumulative Redeemable Preferred Shares of beneficial interest (none issued and outstanding)	--	--
Common Shares of beneficial interest ($0.01 par value; 45,000,000 authorized, 16,801,876 shares issued and outstanding)	168	168
Additional paid-in capital	175,930	175,802

Accumulated deficit	(6,821)	(7,199)
Total shareholders' equity	169,287	168,781
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 583,393	$ 563,677

See accompanying notes to financial statements.

CORPORATE OFFICE PROPERTIES TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	For the three months ended June 30,		For the six months ended June 30,	
	1999	1998	1999	1998
REVENUES				
Rental income	$ 17,023	$ 7,058	$ 33,202	$ 11,977
Tenant recoveries and other income	2,519	784	4,863	1,390
Total revenues	19,542	7,842	38,065	13,367
EXPENSES				
Property operating	5,385	1,645	10,388	2,544
General and administrative	796	359	1,685	658
Interest	5,226	2,416	10,419	4,575
Amortization of deferred financing costs	322	83	547	147
Depreciation and other amortization	2,887	1,281	5,679	2,258
Reformation costs	--	--	--	637
Total expenses	14,616	5,784	28,718	10,819
Income before equity in income of Service Companies, gain on sales of rental properties, minority interests and extraordinary item	4,926	2,058	9,347	2,548
Equity in income of Service Companies	145	--	326	--
Income before gain on sales of rental properties, minority interests and extraordinary item	5,071	2,058	9,673	2,548
Gain on sales of rental properties	154	--	1,140	--
Income before minority interests and extraordinary item	5,225	2,058	10,813	2,548
Minority interests				
Preferred Units	(853)	(853)	(1,706)	(1,706)
Common Units	(670)	(276)	(1,166)	(412)
Income before extraordinary item	3,702	929	7,941	430
Extraordinary item - loss on early retirement of debt	(144)	--	(838)	--
NET INCOME	3,558	929	7,103	430
Preferred Share dividends	(338)	--	(676)	--
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 3,220	$ 929	$ 6,427	$ 430
BASIC EARNINGS PER COMMON SHARE				
Income before extraordinary item	$ 0.20	$ 0.12	$ 0.43	$ 0.09
Extraordinary item	(0.01)	--	(0.05)	--
Net income	$ 0.19	$ 0.12	$ 0.38	$ 0.09
DILUTED EARNINGS PER COMMON SHARE				
Income before extraordinary item	$ 0.17	$ 0.12	$ 0.37	$ 0.09
Extraordinary item	--	--	(0.04)	--
Net income	$ 0.17	$ 0.12	$ 0.33	$ 0.09

See accompanying notes to financial statements.

CORPORATE OFFICE PROPERTIES TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)
(UNAUDITED)

<TABLE>
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	For the six months ended June 30,	
	1999	1998
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 7,103	$ 430
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests	2,872	2,118
Depreciation and amortization	5,679	2,258
Amortization of deferred financing costs	547	147
Equity in income of Service Companies	(326)	--
Gain on sales of properties	(1,140)	--
Increase in deferred rent receivable	(1,502)	(742)
Decrease (increase) in accounts receivable and prepaid and other assets	1,646	(1,029)
Increase in accounts payable, accrued expenses, rents received in advance and security deposits	991	1,517
Net cash provided by operating activities	15,870	4,699
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and additions to commercial real estate properties	(57,370)	(95,836)
Proceeds from sales of operating properties	29,970	--
Investments in and advances to Service Companies	(1,523)	--
Leasing commissions paid	(531)	(151)
Increase in prepaid and other assets	(18)	(143)
Net cash used in investing activities	(29,472)	(96,130)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgage and other loans payable	69,478	23,750
Repayments of mortgage and other loans payable	(42,292)	(174)
Increase in other liabilities	1,217	--
Deferred financing costs paid	(507)	(510)
Increase in prepaid and other assets	(958)	--
Net proceeds from issuance of Common Shares	--	72,742
Dividends/distributions paid	(9,435)	(2,858)
Net cash provided by financing activities	17,503	92,950
Net increase in cash and cash equivalents	3,901	1,519
CASH AND CASH EQUIVALENTS		
Beginning of period	2,349	3,395
End of period	$ 6,250	$ 4,914

</TABLE>

See accompanying notes to financial statements.

CORPORATE OFFICE PROPERTIES TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

NOTE 1 ORGANIZATION

Corporate Office Properties Trust ("COPT") and subsidiaries is a fully integrated and self-managed real estate investment trust ("REIT"). We focus on

the ownership, management, leasing, acquisition and development of suburban office properties in select Mid-Atlantic submarkets. COPT is qualified as a REIT as defined in the Internal Revenue Code and is the successor to a corporation organized in 1988. As of June 30, 1999, our portfolio included 61 commercial real estate properties leased principally for office purposes.

We conduct our operations principally through our operating partnership, Corporate Office Properties, L.P. (the "Operating Partnership"), for which we are the managing general partner. The Operating Partnership owns real estate both directly and through subsidiary partnerships and limited liability companies ("LLCs"). The Operating Partnership also owns the principal economic interest and, collectively with our Chief Executive Officer and Chief Operating Officer, 49.5% of the voting stock of Corporate Office Management, Inc. ("COMI") (together with its subsidiaries defined as the "Service Companies"). A summary of our Operating Partnership's forms of ownership and the percentage of those ownership forms owned by COPT as of June 30, 1999 follows:

<TABLE>
<CAPTION>

	% Owned by COPT
<S>	<C>
Common Units (see Notes 3 and 15)	82%
Series A Preferred Units	100%
Initial Preferred Units (see Notes 3 and 15)	0%

</TABLE>

All Preferred Units are convertible into Common Units in the Operating Partnership.

NOTE 2 BASIS OF PRESENTATION

These notes to our interim financial statements highlight significant changes to the notes to the financial statements included in our 1998 Form 10-K. As a result, these notes to our interim financial statements should be read together with the financial statements and notes thereto included in our 1998 Form 10-K. The interim financial statements on the previous pages reflect all adjustments which we believe are necessary for the fair presentation of our financial position and results of operations for the interim periods presented. These adjustments are of a normal recurring nature. The results of operations for such interim periods are not necessarily indicative of the results for a full year.

We use two different accounting methods to report our investments in entities: the consolidation method and the equity method.

CONSOLIDATION METHOD

We use the consolidation method when we own most of the outstanding voting interests in an entity and can control its operations. This means the accounts of the entity are combined with our accounts. We eliminate balances and transactions between companies when we consolidate these accounts. Our consolidated financial statements include the accounts of:

- - COPT,

- - the Operating Partnership and its subsidiary partnerships and LLCs, and

- - Corporate Office Properties Holdings, Inc. (we own 100%).

EQUITY METHOD

We use the equity method of accounting to report our investment in the Service Companies. Under the equity method, we report:

- - our ownership interest in the Service Companies' capital as an investment on our Consolidated Balance Sheets and

- - our percentage share of the earnings or losses from the Service Companies in our Consolidated Statements of Operations.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

We make estimates and assumptions when preparing financial statements under generally accepted accounting principles. These estimates and assumptions affect various matters, including:

- - our reported amounts of assets and liabilities in our Consolidated Balance Sheets at the dates of the financial statements,

- - our disclosure of contingent assets and liabilities at the dates of the financial statements, and

- - our reported amounts of revenues and expenses in our Consolidated Statements of Operations during the reporting periods.

These estimates involve judgements with respect to, among other things, future economic factors that are difficult to predict and are often beyond management's control. As a result, actual amounts could differ from these estimates.

MINORITY INTERESTS

As discussed previously, we consolidate the accounts of our Operating Partnership into our financial statements. However, we do not own 100% of the Operating Partnership. The amounts reported for minority interests on our Consolidated Balance Sheets represent the portion of the Operating Partnership's equity that we do not own. The amounts reported for minority interests on our Consolidated Statements of Operations represent the portion of the Operating Partnership's net income not allocated to us.

Common Units of the Operating Partnership are substantially similar economically to our Common Shares of beneficial interest ("Common Shares"). The Common Units are also exchangeable into our Common Shares, subject to certain conditions. We have accrued distributions related to Common Units owned by minority interests of $576 at June 30, 1999 and $488 at December 31, 1998.

The owners of our Operating Partnership's Initial Preferred Units are entitled to a 6.5% priority annual return. Income of our Operating Partnership is also allocated to holders of Initial Preferred Units using the 6.5% priority annual return. These units are convertible by unitholders at their option on or after October 1, 1999, into Common Units on the basis of 3.5714 Common Units for each Initial Preferred Unit, plus any accrued return (see Note 15). We have accrued distributions related to Initial Preferred Units owned by minority interests of $853 at June 30, 1999 and December 31, 1998.

INTEREST RATE SWAP ARRANGEMENTS

We recognize the interest rate differential to be paid or received on interest rate swap agreements as an adjustment to interest expense.

EARNINGS PER SHARE ("EPS")

We present both basic and diluted EPS. We compute basic EPS by dividing income available to common shareholders by the weighted-average number of Common Shares outstanding during the period. Our computation of diluted EPS is similar except that:

- - the denominator is increased to include the weighted average number of potential additional Common Shares that would have been outstanding if securities that are convertible now or in the future into our Common Shares were converted and

- - the numerator is adjusted to add back any convertible preferred dividends and any other changes in income or loss that would result from the assumed conversion into Common Shares.

Our computation of diluted EPS does not assume conversion of securities into our Common Shares if conversion of those securities would increase our diluted EPS in a given period. A summary of the numerator and denominator for purposes of our basic and diluted EPS calculations for income before extraordinary item is as follows (dollars and shares in thousands):

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Numerator:				
Net income available to Common Shareholders	$ 3,220	$ 929	$ 6,427	$ 430
Extraordinary loss	144	--	838	--
Numerator for basic earnings per share before extraordinary item	3,364	929	7,265	430
Minority interests - Initial Preferred Units	853	853	1,706	--
Minority interests - Preferred Shares	--	--	676	--
Minority interests - Common Units	--	276	--	--
Numerator for diluted earnings per share				

before extraordinary item	$ 4,217	$ 2,058	$ 9,647	$ 430
Denominator:				
Weighted average Common Shares - basic	16,802	7,628	16,802	4,964
Assumed conversion of share options	9	21	9	21
Conversion of Initial Preferred Units	7,500	7,500	7,500	--
Conversion of Preferred Shares	--	--	1,845	--
Conversion of Common Units	--	2,582	--	--
Weighted average Common Shares - diluted	24,311	17,731	26,156	4,985

Our diluted EPS computation for the three months ended June 30, 1999 only assumes conversion of Initial Preferred Units because conversions of Preferred Shares and Common Units would increase diluted EPS in that period. Our diluted EPS computation for the three months ended June 30, 1998 only assumes conversion of Initial Preferred Units and Common Units because conversions of Preferred Shares would increase diluted EPS in that period.

Our diluted EPS computation for income before extraordinary item for the six months ended June 30, 1999 as reported above only assumes conversion of Preferred Shares and Initial Preferred Units because conversions of Common Units would increase diluted EPS in that period. Our diluted EPS computation for net income for the six months ended June 30, 1999 only assumes conversion of Initial Preferred Units because conversions of Preferred Shares and Common Units would increase diluted EPS in that period. Our diluted EPS computation for the six months ended June 30, 1998 does not assume conversion of Initial Preferred Units or Common Units since these conversions would increase diluted EPS in that period.

NOTE 4 COMMERCIAL REAL ESTATE PROPERTIES

Operating properties consisted of the following:

	June 30, 1999	December 31, 1998
Land	$ 107,830	$ 108,433
Buildings and improvements	438,301	436,932
Furniture, fixtures and equipment	339	332
	546,470	545,697
Less: accumulated depreciation	(11,940)	(9,469)
	$ 534,530	$ 536,228

Projects we had under development consisted of the following:

	June 30, 1999	December 31, 1998
Land	$12,271	$ 8,941
Construction in progress	13,282	1,718
	$25,553	$10,659

1999 ACQUISITIONS

We acquired the following office properties during the six months ended June 30, 1999:

Project Name	Location	Date of Acquisition	Number of Buildings	Total Rentable Square Feet	Initial Cost

Airport Square XXI	Linthicum, MD	2/23/99	1	67,913	$ 6,751
Parkway Crossing Properties	Hanover, MD	4/16/99	2	99,026	9,524
Commons Corporate Portfolio (1)	Hanover, MD	4/28/99	8	250,413	25,442
Princeton Executive Building	Monmouth Junction, NJ	6/24/99	1	61,300	6,020

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(1) Does not include $400 allocated to projects under development and $50 relating to land under a ground lease.

We also acquired for $2,908 a parcel of land located in Annapolis Junction, Maryland that is contiguous to certain of our existing operating properties.

1999 DISPOSITIONS

We sold the following properties during the six months ended June 30, 1999:

Project Name	Location	Property Type (1)	Date of Sale	Total Rentable Square Feet	Sale Price
Cranberry Square	Westminster, MD	R	1/22/99	139,988	$ 18,900
Delafield Retail	Delafield, WI	R	2/26/99	52,800	3,303
Indianapolis Retail	Indianapolis, IN	R	3/09/99	67,541	5,735
Plymouth Retail	Plymouth, MN	R	3/09/99	67,510	5,465
Glendale Retail	Glendale, WI	R	5/04/99	36,248	1,900
Peru Retail	Peru, IL	R	6/16/99	60,232	3,750
Browns Wharf	Baltimore, MD	O	6/24/99	103,670	10,575
Oconomowoc Retail	Oconomowoc, WI	R	6/25/99	39,272	2,575

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(1) "R" indicates retail property; "O" indicates office property.

1999 CONSTRUCTION IN PROGRESS

At June 30, 1999, we had development underway on three new buildings. We also had an expansion project underway that will increase the rentable square footage of one of our properties by approximately 6,000 square feet.

NOTE 5 ACCOUNTS RECEIVABLE

Our accounts receivable are reported net of an allowance for bad debts of $51 at June 30, 1999 and $50 at December 31, 1998.

NOTE 6 INVESTMENT IN AND ADVANCES TO SERVICE COMPANIES

We account for our investment in COMI and its subsidiaries, Corporate Realty Management, LLC ("CRM") and Corporate Development Services, LLC ("CDS"), using the equity method of accounting. Our investment in and advances to these Service Companies included the following:

	June 30, 1999	December 31, 1998
Notes receivable	$ 3,205	$ 3,205
Equity investment in Service Companies	935	609
Advances receivable (payable)	60	(1,463)
Total	$ 4,200	$ 2,351

NOTE 7 DEFERRED CHARGES

Deferred charges consisted of the following:

	June 30,	December 31,

	1999	1998
<S>	<C>	<C>
Deferred financing costs	$ 3,055	$ 2,611
Deferred leasing costs	1,915	1,468
Deferred other	24	24
	4,994	4,103
Accumulated amortization	(1,132)	(561)
Deferred charges, net	$ 3,862	$ 3,542

</TABLE>

NOTE 8 MORTGAGE AND OTHER LOANS PAYABLE

This section highlights new borrowing arrangements entered into during the six months ended June 30, 1999.

On January 5, 1999, we entered into an interest rate swap agreement with Deutsche Banc Alex. Brown. This swap agreement fixes our one-month LIBOR base at 5.085% per annum on a notional amount of $30,000 through May 2001.

On January 13, 1999, we entered into a $9,825 construction loan with Allfirst Bank to finance the construction of a building at our 134 National Business Parkway property. This loan has an interest rate of LIBOR plus 1.6%. This loan matures on February 1, 2001 and may be extended for a one-year period, subject to certain conditions. Borrowings under this loan totaled $6,075 at June 30, 1999.

On February 8, 1999, we entered into a $10,875 construction loan with Provident Bank of Maryland to finance the construction of a building at our Woodlands II property. This loan has an interest rate of LIBOR plus 1.75%. This loan matures on February 8, 2001 and may be extended for a one-year period, subject to certain conditions. Borrowings under this loan totaled $4,780 at June 30, 1999.

On April 8, 1999, we obtained a $12,500 mortgage loan payable from Allfirst Bank, $9,000 of which is nonrecourse. The loan provides for monthly payments of interest, at a rate of LIBOR plus 1.75%, and principal of $23 in the loan's first year, $25 in the second year and $27 in the third year. The loan matures on May 1, 2002. We pledged three of our operating properties and one parcel of land as collateral to the lender. We use the term collateralize to describe all such arrangements.

On April 16, 1999, we assumed three nonrecourse loans in connection with the acquisition of the Parkway Crossing Properties. We assumed a $3,200 mortgage loan payable from IDS Life Insurance Company. The loan provides for monthly payments of principal and interest at a fixed rate of 8.375%. The loan matures on June 1, 2007. We also assumed two loans with the seller totaling $1,897 that carry identical terms. These loans provide for monthly payments of interest at a rate equal to the lesser of prime plus 0.5% (currently 8.5%) or 9.38% plus fixed principal payments of $4. These loans mature on May 25, 2007.

On May 5, 1999, we obtained a $10,000 loan from Deutsche Banc Alex. Brown. The loan bears interest at a rate of LIBOR plus 1.75% and provides for monthly payments of interest only. The loan matures on November 5, 1999 and is collateralized by the Commons Corporate Portfolio.

NOTE 9 DIVIDENDS AND DISTRIBUTIONS

The following summarizes our dividends/distributions for the six months ended June 30, 1999:

<TABLE>
<CAPTION>

	Record Date	Payable Date	Dividend/ Distribution Per Share	Total Dividend/ Distribution
<S>	<C>	<C>	<C>	<C>
Preferred Shares:				
Fourth Quarter 1998	December 31, 1998	January 15, 1999	$ 0.34375	$ 327
First Quarter 1999	March 31, 1999	April 15, 1999	$ 0.34375	$ 338
Second Quarter 1999	June 30, 1999	July 15, 1999	$ 0.34375	$ 338
Common Shares:				

Fourth Quarter 1998	December 31, 1998	January 15, 1999	$ 0.18	$ 3,025
First Quarter 1999	March 31 ,1999	April 15, 1999	$ 0.18	$ 3,025
Second Quarter 1999	June 30, 1999	July 15, 1999	$ 0.18	$ 3,025
Initial Preferred Units:				
Fourth Quarter 1998	December 31, 1998	January 15, 1999	$ 0.40625	$ 853
First Quarter 1999	March 31, 1999	April 15, 1999	$ 0.40625	$ 853
Second Quarter 1999	June 30, 1999	July 15, 1999	$ 0.40625	$ 853
Common Units:				
Fourth Quarter 1998	December 31, 1998	January 15, 1999	$ 0.18	$ 487
First Quarter 1999	March 31, 1999	April 15, 1999	$ 0.18	$ 527
Second Quarter 1999	June 30, 1999	July 15, 1999	$ 0.18	$ 576

NOTE 10 RELATED PARTY TRANSACTIONS

MANAGEMENT

We have a contract with COMI under which COMI provides asset management, managerial, financial and legal support. Under the terms of this contract, we reimburse COMI for personnel and other overhead-related expenses. During the six months ended June 30, 1999, we incurred management fees and related costs of $1,529 under this contract.

We have a management agreement with CRM under which CRM provides property management services to most of our properties. Under the terms of this arrangement, CRM is entitled to a fee equal to 3% of revenue from tenant billings. CRM is also entitled to reimbursement for direct labor and out-of-pocket costs. We incurred property management fees and related costs of $1,831 under this agreement during the six months ended June 30, 1999.

We had a management agreement with Glacier Realty LLC ("Glacier"), a company that was partially owned by one of our former Trustees. Under the management agreement, Glacier was responsible for the management of our retail properties for a base annual fee of $250 plus a percentage of Average Invested Assets (as defined in the management agreement). Glacier was also entitled to fees upon our acquisition or sale of any net-leased retail real estate property, a fee that increased in the event that all or substantially all of the net-leased retail real estate properties were sold. The management agreement, entered into on October 14, 1997, had a term of five years. A fee was also due in the event that the management agreement was terminated, including for non-renewal. We incurred fees under this agreement of $63 for the six months ended June 30, 1999 and $125 for the six months ended June 30, 1998. On March 19, 1999, our Operating Partnership issued 200,000 Common Units in exchange for all of the ownership interests in Glacier. For accounting purposes, we recorded the value of this transaction against the gain on the sale of our retail properties in the Midwest region of the United States.

We also have a management agreement with a company for which one of our Trustees serves on the Board of Directors. We incurred management fees and related costs under this contract of $41 for the six months ended June 30, 1999 and $40 for the six months ended June 30, 1998.

CONSTRUCTION COSTS

We have entered into a contract with CDS under which CDS provides construction and development services. Under the terms of this contract, we reimburse CDS for these services based on actual time incurred at market rates. During the six months ended June 30, 1999, we incurred $570 under this contract, a substantial portion of which was capitalized into the cost of the related activities.

RENTAL INCOME

During the six months ended June 30, 1999, we recognized revenue of $206 on office space leased to COMI and CRM. During the six months ended June 30, 1999, we recognized revenue of $462 on office space leased to Constellation Real Estate, Inc. ("Constellation"), which owns 42% of our Common Shares and 100% of our Preferred Shares, and its affiliate, Baltimore Gas and Electric Company ("BGE").

INTEREST INCOME

During the six months ended June 30, 1999, we earned interest income of $144 on notes receivable from the Service Companies.

CONSTRUCTION FEES

During the six months ended June 30, 1999, the Service Companies earned construction management fees of $58 from an entity owned by an officer and Trustee of ours.

LEASING COMMISSION

During the six months ended June 30, 1999, the Service Companies earned a leasing commission of $117 from an entity owned by an officer and Trustee of ours.

FEES EARNED FROM CONSTELLATION AND BGE

During the six months ended June 30, 1999, the Service Companies earned $750 from a project consulting and management agreement with Constellation. The Service Companies also earned $242 in fees and expense reimbursements during the six months ended June 30, 1999 under a property management agreement with BGE.

UTILITIES EXPENSE

During the six months ended June 30, 1999, BGE provided utility services to most of our properties in the Baltimore/Washington Corridor.

NOTE 11 SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	For the Six Months Ended June 30,	
	1999	1998
<S>	<C>	<C>
Supplemental schedule of non-cash investing and financing activities:		
Debt repaid in connection with sales of properties	$ 20,928	$ --
Debt assumed in connection with acquisitions	$ 5,097	$ 6,465
Increase in minority interests resulting from issuance of Common Units in connection with property acquisitions	$ 3,431	$ --
Increase in minority interests resulting from issuance of Common Units in connection with Glacier acquisition	$ 1,487	$ --
Adjustments to minority interests resulting from changes in ownership of Operating Partnership by COPT	$ (128)	$ --
Increase in accrued capital improvements	$ 765	$ --
Dividends/distributions payable	$ 4,792	$ 2,706

</TABLE>

NOTE 12 INFORMATION BY BUSINESS SEGMENT

We have five segments: Baltimore/Washington office, Greater Philadelphia office, Northern/Central New Jersey office, Greater Harrisburg office and retail. Our office properties represent our core-business. We manage our retail properties as a single segment since they are considered outside of our core-business.

The table below reports segment financial information. Our Greater Harrisburg and retail segments are not separately reported since they do not meet the reporting thresholds. We measure the performance of our segments based on total revenues less property operating expenses. Accordingly, we do not report other expenses by segment in the table below.

<TABLE>
<CAPTION>

	Baltimore/ Washington	Greater Philadelphia	Northern/ Central New

	Office	Office	Jersey Office	Other	Total
<S>	<C>	<C>	<C>	<C>	<C>
Three Months Ended June 30, 1999:					
Revenues	$ 11,420	$ 2,507	$ 4,067	$ 1,548	$ 19,542
Property operating expenses	3,460	20	1,546	359	5,385
Income from operations	$ 7,960	$ 2,487	$ 2,521	$ 1,189	$ 14,157
Commercial real estate property expenditures	$ 36,819	$ --	$ 7,131	$ 8,760	$ 52,710
Three Months Ended June 30, 1998:					
Revenues	$ 1,913	$ 2,507	$ 1,988	$ 1,434	$ 7,842
Property operating expenses	631	3	696	315	1,645
Income from operations	$ 1,282	$ 2,504	$ 1,292	$ 1,119	$ 6,197
Commercial real estate property expenditures	$ 72,710	$ --	$ 29,467	$ 42	$102,219
Six Months Ended June 30, 1999:					
Revenues	$ 21,734	$ 5,013	$ 8,163	$ 3,155	$ 38,065
Property operating expenses	6,527	42	3,050	769	10,388
Income from operations	$ 15,207	$ 4,971	$ 5,113	$ 2,386	$ 27,677
Commercial real estate property expenditures	$ 43,904	$ --	$ 7,911	$ 14,848	$ 66,663
Segment assets at June 30, 1999	$301,440	$108,242	$104,787	$ 68,924	$583,393
Six Months Ended June 30, 1998:					
Revenues	$ 1,913	$ 5,013	$ 3,608	$ 2,833	$ 13,367
Property operating expenses	631	6	1,280	627	2,544
Income from operations	$ 1,282	$ 5,007	$ 2,328	$ 2,206	$ 10,823
Commercial real estate property expenditures	$ 72,710	$ --	$ 29,467	$ 124	$102,301
Segment assets at June 30, 1998	$ 72,877	$109,548	$ 61,367	$ 53,733	$297,525

</TABLE>

The following table reconciles our income from operations for reportable segments to income before extraordinary item as reported in our Consolidated Statements of Operations.

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Income from operations for reportable segments	$ 14,157	$ 6,197	$ 27,677	$ 10,823
Add:				
Equity in income of Service Companies	145	--	326	--
Gain on sales of rental properties	154	--	1,140	--
Less:				
General and administrative	(796)	(359)	(1,685)	(658)
Interest	(5,226)	(2,416)	(10,419)	(4,575)
Amortization of deferred financing costs	(322)	(83)	(547)	(147)
Depreciation and amortization	(2,887)	(1,281)	(5,679)	(2,258)
Reformation costs	--	--	--	(637)
Minority interests	(1,523)	(1,129)	(2,872)	(2,118)

Income before extraordinary item	$ 3,702	$ 929	$ 7,941	$ 430

</TABLE>

We did not allocate gain on sales of rental properties, interest expense, amortization of deferred financing costs and depreciation and other amortization to segments since they are not included in the measure of segment profit reviewed by management. We also did not allocate equity in income of Service Companies, general and administrative and reformation costs and minority interests since these items represent general corporate items not attributable to segments.

NOTE 13 COMMITMENTS AND CONTINGENCIES

In the normal course of business, we are involved in legal actions arising from our ownership and administration of properties. In management's opinion, any liabilities that may result are not expected to have a materially adverse effect on our financial position, operations or liquidity. We are subject to various federal, state and local environmental regulations related to our property ownership and operation. We have performed environment assessments of our properties, the results of which have not revealed any environmental liability that we believe would have a materially adverse effect on our financial position, operations or liquidity.

In June 1999, we sold an office building and assigned our rights to purchase two office buildings to an unrelated third party. Simultaneously with these transactions, we entered into a contract with the third party under which the third party has the right to transfer these three office buildings to us on or before March 31, 2000 for total consideration of approximately $40.5 million. Under the terms of the contract, we would pay up to $25.0 million (but in no event less than $23.9 million) of the acquisition price in convertible Preferred Units (the "Convertible Preferred Units") in the Operating Partnership and the balance in cash or debt assumption. We would also issue ten-year detachable warrants exercisable for an additional number of Common Units in the Operating Partnership to be determined based upon the share price of the Common Shares over the first five years following the acquisition. However, if the price of our Common Shares used to determine the additional number of Common Units equals or exceeds $14.21, no warrants will be issuable.

The Convertible Preferred Units issuable under the terms of the contract will be entitled to a 9% priority annual return for the first ten years following issuance, 10.5% for the five following years and 12% thereafter. The Convertible Preferred Units are convertible, subject to certain restrictions, commencing one year after their issuance into Common Units in the Operating Partnership on the basis of 2.381 Common Units for each Convertible Preferred Unit, plus any accrued return. The Common Units are exchangeable for Common Shares, subject to certain conditions. The Convertible Preferred Units also carry a liquidation preference of $25.00 per unit, plus any accrued return, and may be redeemed for cash by the Operating Partnership at any time after the tenth anniversary of their issuance.

NOTE 14 PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

We accounted for our 1999 and 1998 acquisitions using the purchase method of accounting. We included the results of operations for the acquisitions in our Consolidated Statements of Operations from their respective purchase dates through June 30, 1999.

We prepared our pro forma condensed consolidated financial information presented below as if all of our 1999 and 1998 acquisitions and dispositions had occurred on January 1, 1998. Accordingly, we were required to make pro forma adjustments where deemed necessary. The pro forma financial information is unaudited and is not necessarily indicative of the results which actually would have occurred if these acquisitions and dispositions had occurred on January 1, 1998, nor does it intend to represent our results of operations for future periods.

<TABLE>
<CAPTION>

	Six Months Ended June 30,	
	1999	1998
<S>	<C>	<C>
Pro forma total revenues	$ 39,331	$ 33,052
Pro forma net income available to Common Shareholders	$ 6,332	$ 2,899

Pro forma earnings per Common Share		
Basic	$ 0.38	$ 0.17
Diluted	$ 0.33	$ 0.17

</TABLE>

NOTE 15 SUBSEQUENT EVENTS

In July 1999, we completed the offering of 1,250,000 Series B Cumulative Redeemable Preferred Shares of beneficial interest ("Series B Preferred Shares") to the public at a price of $25.00 per share. These shares are nonvoting and are redeemable for cash at $25.00 per share at our option on or after July 15, 2004. Holders of these shares are entitled to cumulative dividends, payable quarterly (as and if declared by the Board of Trustees). Dividends accrue from the date of issue at the annual rate of $2.50 per share, which is equal to 10% of the $25.00 per share redemption price. We contributed the net proceeds from the offering to our Operating Partnership in exchange for 1,250,000 Series B Preferred Units. The Series B Preferred Units carry terms that are substantially the same as the Series B Preferred Shares.

In connection with the Series B Preferred Share offering, all of the holders of the Initial Preferred Units in our Operating Partnership have agreed to effectively subordinate their priority return distributions to distributions designated to the Series B Preferred Shares. Additionally, these unitholders have agreed to convert their Initial Preferred Units into Common Units on October 1, 1999.

On July 9, 1999, we acquired a 57,000 square foot warehouse facility located on 8.5 acres of land contiguous to properties we own in South Brunswick, New Jersey. We acquired this property for $2,172.

On August 4, 1999, 372,295 of our Common Units were converted to Common Shares.

On August 12, 1999, we acquired an 89% ownership interest in three newly constructed office buildings located in Harrisburg, Pennsylvania totaling approximately 56,000 square feet. We acquired this ownership interest for $5,960 from an entity owned by an officer and Trustee of ours.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Over the last five quarters, we completed a significant number of acquisitions. Our portfolio consisted of seven retail properties and ten office properties at March 31, 1998. During the last three quarters of 1998, we acquired 38 office and two retail properties. During the first two quarters of 1999, we acquired 12 office properties and sold seven retail properties and one office property. We financed the acquisitions using debt and issuing Common Shares, Preferred Shares and ownership interests in our Operating Partnership. To accommodate our growth and changing needs as an organization, we added significant management capabilities. As of June 30, 1999, our portfolio included 61 commercial real estate properties leased principally for office purposes. Due to these significant changes, our results of operations changed dramatically.

In this section, we discuss our financial condition and results of operations for the three months and six months ended June 30, 1999. This section includes discussions on:

- - why various components of our Consolidated Statements of Operations changed for the three and six months ended June 30, 1999 compared to the same periods in 1998,

- - what our primary sources and uses of cash were for the six months ended June 30, 1999,

- - how we raised cash for investing and financing activities during the six months ended June 30, 1999,

- - how we intend to generate cash for future capital expenditures, and

- - the computation of our funds from operations.

It may be helpful as you read this section to refer to our consolidated financial statements and accompanying notes and operating data variance analysis set forth above.

This section contains "forward-looking" statements, as defined in the

Private Securities Litigation Reform Act of 1995, that are based on our current expectations, estimates and projections about future events and financial trends affecting the financial condition of our business. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are not guarantees of future performance, events or results and involve potential risks and uncertainties. Accordingly, actual results may differ materially. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Important facts that may affect these expectations, estimates or projections include, but are not limited to: our ability to borrow on favorable terms; general economic and business conditions, which will, among other things, affect office property demand and rents, tenant creditworthiness and financing availability; adverse changes in the real estate markets including, among other things, competition with other companies; risks of real estate acquisition and development; governmental actions and initiatives and environmental requirements.

CORPORATE OFFICE PROPERTIES TRUST
OPERATING DATA VARIANCE ANALYSIS

(DOLLARS FOR THIS TABLE ARE IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

	Three Months Ended June 30,				Six Months Ended June 30,			
	1999	1998	Variance	% Change	1999	1998	Variance	% Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues								
Rental income	$17,023	$ 7,058	$ 9,965	141%	$33,202	$ 11,977	$ 21,225	177%
Tenant recoveries and other income	2,519	784	1,735	221%	4,863	1,390	3,473	250%
Total revenues	19,542	7,842	11,700	149%	38,065	13,367	24,698	185%
Expenses								
Property operating	5,385	1,645	3,740	227%	10,388	2,544	7,844	308%
General and administrative	796	359	437	122%	1,685	658	1,027	156%
Interest expense and amortization of finance costs	5,548	2,499	3,049	122%	10,966	4,722	6,244	132%
Depreciation and other amortization	2,887	1,281	1,606	125%	5,679	2,258	3,421	152%
Reformation costs	--	--	--	--	--	637	(637)	(100%)
Total expenses	14,616	5,784	8,832	153%	28,718	10,819	17,899	165%
Income before equity in income of Service Companies, gain on sales of rental properties, minority interests and extraordinary item	4,926	2,058	2,868	139%	9,347	2,548	6,799	267%
Equity in income of Service Companies	145	--	145	N/A	326	--	326	N/A
Gain on sales of rental properties	154	--	154	N/A	1,140	--	1,140	N/A
Income before minority interests and extraordinary item	5,225	2,058	3,167	154%	10,813	2,548	8,265	324%
Minority interests	(1,523)	(1,129)	(394)	35%	(2,872)	(2,118)	(754)	36%

Extraordinary item	(144)	--	(144)	N/A	(838)	--	(838) N/A
Net income	3,558	929	2,629	283%	7,103	430	6,673 1,552%
Preferred Share dividends	(338)	--	(338)	N/A	(676)	--	(676) N/A
Net income available to Common at Shareholders	$ 3,220	$ 929	2,291	247%	$ 6,427	$ 430	$ 5,997 1,395%
Earnings per Common Share on net income							
Basic	$ 0.19	$ 0.12	$ 0.07	58%	$ 0.38	$ 0.09	$ 0.29 322%
Diluted	$ 0.17	$ 0.12	$ 0.05	42%	$ 0.33	$ 0.09	$ 0.24 267%

</TABLE>

COMPARISON OF THE SIX MONTHS ENDED JUNE 30, 1999 AND 1998

Our total revenues increased $24.7 million or 185%, of which $21.2 million was generated by rental income and $3.5 million by tenant recoveries and other income. Tenant recovery income includes payments from tenants as reimbursement for property taxes, insurance and other property operating expenses. Our growth in revenues was due primarily to our property acquisitions in 1998 and 1999, although revenues increased $363,000 due to the operations of office properties owned since the beginning of 1998 and decreased $491,000 due to our Midwest region retail property sales.

Our total expenses increased $17.9 million or 165% due mostly to the effects of the increases in property operating, interest expense and amortization of deferred finance costs, depreciation and amortization and general and administrative expenses described below. However, our expenses for the six months ended June 30, 1998 also included $637,000 in nonrecurring costs associated with our reformation into a Maryland REIT in March 1998.

Our property operating expenses increased $7.8 million or 308% due mostly to our property acquisitions, although $220,000 of the increase is attributable to increases at office properties owned since the beginning of 1998. Our interest expense and amortization of deferred financing costs increased $6.2 million or 132% due mostly to our borrowings and assumptions of debt needed to finance property acquisitions, although a decrease of $230,000 is attributable to our Midwest region retail property sales. Our depreciation and amortization expense increased $3.4 million or 152% due mostly to our property acquisitions, although a decrease of $116,000 is attributable to our Midwest region retail property sales.

Our general and administrative expenses increased $1.0 million or 156%. Much of this increase is due to the addition of management and other staffing functions necessitated by our growing portfolio of properties and the desire to enhance our organizational infrastructure to more efficiently meet tenant needs and further the growth of the Company. Approximately $180,000 of this increase is due to additional professional fees for audit, legal and tax preparation required to support the increased complexity of our organization resulting from our growth and creation of our Operating Partnership and the Service Companies. In addition, approximately $100,000 of this increase resulted from external costs we incurred for public relations and marketing. Our general and administrative expenses decreased as a percentage of total revenue from 4.9% to 4.4%.

Our income before minority interests for the six months ended June 30, 1999 includes our equity in income from the Service Companies and the gain we realized on the sale of six of our retail properties, items that were not present for the six months ended June 30, 1998.

As a result of the above factors, income before minority interests increased by $8.3 million or 324%. Our income allocation to minority interests increased $754,000 or 36%. The amounts reported for minority interests on our Consolidated Statements of Operations represent the portion of the Operating Partnership's net income not allocated to us. Minority interests owned 16% of the Operating Partnership during the six months ended June 30, 1999 versus 61% during the six months ended June 30, 1998. Accordingly, the increase in income allocated to minority interests is due to the increase in the Operating Partnership's net income, offset by the decreased percentage of income allocated

to minority interests.

Our net income available to Common Shareholders increased $6.0 million due to the factors discussed above partially offset by a $838,000 loss on the retirement of debt and $676,000 in dividends declared on our Series A Preferred Shares, items that were not present for the six months ended June 30, 1998. Our diluted earnings per Common Share increased $0.24 per share due to the effect of the increase in net income being proportionately greater than the dilutive effects of (i) our share offering in April 1998, (ii) the issuance of Common Shares and Common Units in our Operating Partnership in connection with our property acquisitions during the later portion of 1998 and (iii) the issuance of Common Units in connection with the acquisition of Glacier in March 1999.

COMPARISON OF THE THREE MONTHS ENDED JUNE 30,1999 AND 1998

Our total revenues increased $11.7 million or 149%, of which $10.0 million was generated by rental income and $1.7 million by tenant recoveries and other income. Our growth in revenues was due primarily to our property acquisitions in 1998 and 1999, although revenues increased $143,000 due to the operations of office properties owned since the beginning of 1998 and decreased $399,000 due to our Midwest region retail property sales.

Our total expenses increased $8.8 million or 153% due mostly to the effects of the increases in property operating, interest expense and amortization of deferred finance costs, depreciation and amortization and general and administrative expenses described below.

Our property operating expenses increased $3.7 million or 227% due mostly to our property acquisitions, although $135,000 of the increase is attributable to increases at office properties owned since the beginning of 1998. Our interest expense and amortization of deferred financing costs increased $3.0 million or 122% due mostly to our borrowings and assumptions of debt needed to finance property acquisitions, although a decrease of $179,000 is attributable to our Midwest region retail property sales. Our depreciation and amortization expense increased $1.6 million or 125% due mostly to our property acquisitions.

Our general and administrative expenses increased $437,000 or 122%. Much of this increase is due to the addition of management and other staffing functions necessitated by our growing portfolio of properties and the desire to enhance our organizational infrastructure to more efficiently meet tenant needs and further the growth of the Company. Approximately $80,000 of this increase is due to additional professional fees for audit, legal and tax preparation required to support the increased complexity of our organization resulting from our growth and creation of our Operating Partnership and the Service Companies. Our general and administrative expenses decreased as a percentage of total revenue from 4.6% to 4.1%.

Our income before minority interests for the three months ended June 30, 1999 includes our equity in income from the Service Companies and the gain we realized on the sale of three of our retail properties, items that were not present for the three months ended June 30, 1998.

As a result of the above factors, income before minority interests increased by $3.2 million, or 154%. Our income allocation to minority interests increased $394,000 or 35%. Minority interests owned 17% of the Operating Partnership during the three months ended June 30, 1999 versus 40% during the three months ended June 30, 1998. Accordingly, the increase in income allocated to minority interests is due to the increase in the Operating Partnership's net income, offset by the decreased percentage of income allocated to minority interests.

Our net income available to Common Shareholders increased $2.3 million due to the factors discussed above partially offset by a $144,000 loss on the retirement of debt and $338,000 in dividends declared on our Series A Preferred Shares, items that were not present for the three months ended June 30, 1998. Our diluted earnings per Common Share increased $0.05 per share due to the effect of the increase in net income being proportionately greater than the dilutive effects of (i) our share offering in April 1998, (ii) the issuance of Common Shares and Common Units in our Operating Partnership in connection with our property acquisitions during the later portion of 1998 and (iii) the issuance of Common Units in connection with the acquisition of Glacier in March 1999.

LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION AND LIQUIDITY

Cash provided from operations represents our primary source of liquidity to fund shareholder and unitholder distributions, pay debt service and fund working capital requirements. We expect to continue to use our property cash flow to meet our short-term cash requirements, including all property expenses, general and administrative

expenses, debt service, distribution requirements and recurring capital improvements and leasing commissions. We do not anticipate borrowing to meet these requirements.

We have financed our property acquisitions using a combination of borrowings secured by our properties and the equity issuances of Common and Preferred Units in our Operating Partnership and Common and Preferred Shares. We use our secured revolving credit facility with Deutsche Banc Alex. Brown (the "Revolving Credit Facility") to finance much of our investing and financing activities. We pay down our Revolving Credit Facility using proceeds from long-term borrowings collateralized by our properties as attractive financing conditions arise and equity issuances as attractive equity market conditions arise. As of August 10, 1999, the maximum amount available under our Revolving Credit Facility was $100.0 million, of which $47.3 million was unused.

Our debt strategy favors long-term, fixed-rate, secured debt over variable-rate debt to minimize the risk of short-term increases in interest rates. As of June 30, 1999, 71% of our mortgage loans payable balance carried fixed interest rates.

Mortgage and other loans payable at June 30, 1999 consisted of the following (dollars in thousands):

<TABLE>

<S>	<C>
Term Credit Facility, 7.50%, maturing October 2000 (1)	$ 100,000
TIAA Mortgage, 6.89%, maturing November 2008	84,150
Revolving Credit Facility, LIBOR + 1.75%, maturing May 2000 (2)	84,050
Allfirst Bank, LIBOR + 1.75%, maturing May 2002	12,430
Deutsche Banc Alex. Brown, LIBOR + 1.75%, maturing November 1999	10,000
Aegon USA Realty Advisors, Inc., 8.29%, maturing May 2007	6,293
Allfirst Bank, LIBOR + 1.6%, maturing February 2001 (3)	6,075
Provident Bank of Maryland, LIBOR + 1.75%, maturing February 2001 (4)	4,780
IDS Life Insurance Company, 8.375%, maturing June 2007	3,129
Provident Bank of Maryland, LIBOR + 1.75%, maturing September 2000	2,866
Northern Life Insurance Company, 8%, maturing February 2014	2,519
Seller mortgage, lesser of Prime + 0.5% or 9.38%, maturing May 2007	1,887
	$ 318,179

</TABLE>

(1) May be extended for two one-year periods, subject to certain conditions.

(2) May be extended for a one-year period, subject to certain conditions.

(3) Construction loan with a total commitment of $9,825.

(4) Construction loan with a total commitment of $10,875.

In June 1999, we sold an office building and assigned our rights to purchase two office buildings to an unrelated third party. Simultaneously with these transactions, we entered into a contract with the third party under which the third party has the right to transfer these three office buildings to us on or before March 31, 2000 for total consideration of approximately $40.5 million. Under the terms of the contract, we would pay up to $25.0 million (but in no event less than $23.9 million) of the acquisition price in Convertible Preferred Units in the Operating Partnership and the balance in cash or debt assumption. We would also issue ten-year detachable warrants exercisable for an additional number of Common Units in the Operating Partnership to be determined based upon the share price of the Common Shares over the first five years following the acquisition. However, if the price of our Common Shares used to determine the additional number of Common Units equals or exceeds $14.21, no warrants will be issuable.

The Convertible Preferred Units issuable under the terms of the contract will be entitled to a 9% priority annual return for the first ten years following issuance, 10.5% for the five following years and 12% thereafter. The Convertible Preferred Units are convertible, subject to certain restrictions, commencing one year after their

issuance into Common Units in the Operating Partnership on the basis of 2.381 Common Units for each Convertible Preferred Unit, plus any accrued return. The Common Units are exchangeable for Common Shares, subject to certain conditions. The Convertible Preferred Units also carry a liquidation preference of $25.00 per unit, plus any accrued return, and may be redeemed for cash by the Operating Partnership at any time after the tenth anniversary of their issuance.

We have no contractual obligations for property acquisitions or material capital costs other than the contract to acquire three office buildings from an unrelated third-party described above, the July and August property acquisitions discussed below, the completion of the three development projects discussed below and tenant improvements in the ordinary course of business. We expect to meet our long-term capital needs through a combination of cash from operations, additional borrowings and additional equity issuances of Common Shares, Preferred Shares, Common Units and/or Preferred Units. We have an effective Form S-3 shelf registration statement on file with the Securities and Exchange Commission under which we may sell up to $218.8 million in debt or equity securities depending upon our needs and market conditions.

INVESTING AND FINANCING ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 1999:

During the six months ended June 30, 1999, we acquired 12 operating properties and three parcels of land for an aggregate acquisition cost of $51.1 million. Of the 12 operating properties acquired, 11 are located in the Baltimore/Washington Corridor and one in New Jersey. The land parcels are located in the Baltimore/ Washington Corridor. The operating property acquisitions increased our rentable square footage by 479,000. These acquisitions were financed by:

- using $41.3 million in borrowings under our Revolving Credit Facility,
- assuming $5.1 million in mortgage loans,
- issuing 326,775 Common Units in our Operating Partnership, and
- using cash reserves for the balance.

During the six months ended June 30, 1999, we had construction underway on an aggregate of 317,000 square feet of new office space that was 85% pre-leased at our Woodlands II and 132 and 134 National Business Parkway properties. We entered into $20.7 million in construction loans during this period to finance the construction of two of these projects. Borrowings under these loans totaled $10.9 million at June 30, 1999. Also during the six months ended June 30, 1999, CDS had construction underway on 66,000 square feet of new office space in Linthicum, Maryland.

During the six months ended June 30, 1999, we sold eight properties for $52.2 million, of which $20.9 million was used to pay off the mortgage loans payable on the properties. We realized a gain of $1.1 million on the sales of these properties, including the value of the transaction involving Glacier (see Note 10 to the Consolidated Financial Statements). Net proceeds from these sales totaled $30.0 million, $24.3 million of which was used to repay a portion of our Revolving Credit Facility and the remainder was applied to working capital.

On March 19, 1999, our Operating Partnership issued 200,000 Common Units in exchange for all of the ownership interests in Glacier. For accounting purposes, we recorded the value of this transaction against the gain on the sale of our retail properties in the Midwest region of the United States (see Note 10 to the Consolidated Financial Statements).

On April 8, 1999, we obtained a $12.5 million mortgage loan payable from Allfirst Bank, $9.0 million of which is nonrecourse. The loan provides for monthly payments of interest, at a rate of LIBOR plus 1.75%, and principal of $23,000 in the loan's first year, $25,000 in the second year and $27,000 in the third year. The loan matures on May 1, 2002. This loan is collateralized by three of our operating properties and one parcel of land. The proceeds from this loan were used to pay down our Revolving Credit Facility.

In connection with the acquisition of the Parkway Crossing Properties, we assumed three nonrecourse mortgage loans payable collateralized by these buildings. One of these loans is with IDS Life Insurance Company. This loan has a balance of $3.2 million, bears interest at a fixed rate of 8.375% and provides for monthly principal and interest payments of $44,000. This loan matures on June 1, 2007. We also assumed two loans with the seller totaling $1.9 million that carry identical terms. These loans provide for monthly payments of interest at a rate equal to the lesser of prime plus 0.5% (currently 8.5%) or 9.38% plus fixed principal payments of $4,000. These loans mature on May 25, 2007.

On May 5, 1999, we obtained a $10.0 million loan from Deutsche Banc Alex. Brown. The loan bears interest at a rate of LIBOR plus 1.75% and provides for monthly payments of interest only. The proceeds from this loan were used to pay down our Revolving Credit Facility. The loan matures on November 5, 1999 and is collateralized by the Commons Corporate Portfolio.

INVESTING AND FINANCING ACTIVITIES SUBSEQUENT TO THE SIX MONTHS ENDED JUNE 30, 1999:

In July 1999, we completed the offering of 1,250,000 Series B Preferred

Shares to the public at a price of $25.00 per share. These shares are nonvoting and are redeemable for cash at $25.00 per share at our option on or after July 15, 2004. Holders of these shares are entitled to cumulative dividends, payable quarterly (as and if declared by the Board of Trustees). Dividends accrue from the date of issue at the annual rate of $2.50 per share, which is equal to 10% of the $25.00 per share redemption price. We contributed the net proceeds from the offering to our Operating Partnership in exchange for 1,250,000 Series B Preferred Units. Our Operating Partnership used most of the proceeds to pay down our Revolving Credit Facility. The Series B Preferred Units carry terms that are substantially the same as the Series B Preferred Shares.

In connection with the Series B Preferred Share offering, all of the holders of the Initial Preferred Units in our Operating Partnership have agreed to effectively subordinate their priority return distributions to distributions designated to the Series B Preferred Shares. Additionally, these unitholders have agreed to convert their Initial Preferred Units into Common Units on October 1, 1999.

On July 9, 1999, we acquired a 57,000 square foot warehouse facility located on 8.5 acres of land contiguous to properties we own in South Brunswick, New Jersey. We acquired this property for $2.2 million by applying the balance of a $1.6 million note receivable from the seller to the purchase price, issuing 50,476 Common Units in our Operating Partnership and using cash reserves for the balance. This building will undergo redevelopment to convert the building into Class A office space and upon completion will be 100% leased to AT&T Local Services.

On August 4, 1999, 372,295 of our Common Units were converted to Common Shares.

On August 12, 1999, we acquired an 89% ownership interest in three newly constructed office buildings located in Harrisburg, Pennsylvania totaling approximately 56,000 square feet. We acquired these buildings for $6.0 million from an entity owned by an officer and Trustee of ours. This acquisition was financed by assuming a $4.3 million construction loan payable with Mellon Bank, N.A. and using cash reserves for the balance. The construction loan payable bears interest at a rate equal to the yield on 5-year Treasury securities plus 2.0%. The loan provides for monthly payments of interest only through August 2000 and equal monthly payments of principal and interest based on a 30-year amortization period commencing September 2000. The loan matures on August 1, 2005.

STATEMENT OF CASH FLOWS

We generated net cash flow from operating activities of $15.9 million for the six months ended June 30, 1999, an increase of $11.2 million from the six months ended June 30, 1998. Our increase in cash flows from operating activities is due mostly to income generated from our newly acquired properties. Our net cash flow used in investing activities for the six months ended June 30, 1999 decreased $66.7 million from the six months ended June 30, 1998 due mostly to the $38.5 million decrease in cash outlays associated with purchases of and

improvements to real estate properties during the period and $30.0 million in proceeds generated from sales of our operating properties. Our net cash flow provided by financing activities for the six months ended June 30, 1999 decreased $75.4 million from the six months ended June 30, 1998 due primarily to $72.7 million from the issuance of Common Shares in the prior period, $42.1 million in additional repayments of mortgage loans payable and $6.6 million in additional divided and distribution payments, offset by $45.7 million in additional proceeds from mortgage loans payable.

FUNDS FROM OPERATIONS

We consider Funds from Operations ("FFO") to be meaningful to investors as a measure of the financial performance of an equity REIT when considered with the financial data presented under generally accepted accounting principles ("GAAP"). Under the National Association of Real Estate Investment Trusts' ("NAREIT") definition, FFO means net income (loss) computed using generally accepted accounting principles, excluding gains (or losses) from debt restructuring and sales of property, plus real estate-related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Further, if the conversion of securities into common shares is dilutive, we exclude any GAAP income allocated to these securities in computing FFO. The FFO we present may not be comparable to the FFO of other REITs since they may interpret the current NAREIT definition of FFO differently or they may not use the current NAREIT definition of FFO. FFO is not the same as cash generated from operating activities or net income determined in accordance with GAAP. FFO is not necessarily an indication of our cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating our financial performance or to cash flow from operating, investing and financing when evaluating our liquidity or ability to make cash distributions or pay debt service. Our FFO for the six months ended June 30,

1999 and 1998 are summarized in the following table:

<TABLE>
<CAPTION>

(Dollars and shares for this table are in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Income before minority interests	$ 5,225	$ 2,058	$ 10,813	$ 2,548
Add: Nonrecurring charges - Reformation costs	--	--	--	637
Add: Real estate related depreciation and amortization	2,872	1,270	5,646	2,241
Less: Preferred Unit distributions	(853)	(853)	(1,706)	(1,706)
Less: Preferred Share dividends	(338)	--	(676)	--
Less: Gain on sales of rental properties	(154)	--	(1,140)	--
Funds from operations	6,752	2,475	12,937	3,720
Add: Preferred Unit distributions	853	853	1,706	1,706
Add: Preferred Share dividends	338	--	676	--
Funds from operations assuming conversion of Preferred Units and Preferred Shares	7,943	3,328	15,319	5,426
Less: Straight line rent adjustments	(825)	(384)	(1,500)	(743)
Less: Recurring capital improvements	(478)	--	(1,147)	--
Adjusted funds from operations assuming conversion of Preferred Units and Preferred Shares	$ 6,640	$ 2,944	$ 12,672	$ 4,683
Weighted average Common Shares	16,802	7,628	16,802	4,964
Conversion of Common Units	3,203	2,582	2,982	2,582
Weighted average Common Shares/Units	20,005	10,210	19,784	7,546
Assumed conversion of share options	9	21	9	21
Conversion of Preferred Shares	1,845	--	1,845	--
Conversion of Preferred Units	7,500	7,500	7,500	7,500
Weighted average Common Shares/Units assuming conversion of Preferred Units and Preferred Shares	29,359	17,731	29,138	15,067

</TABLE>

INFLATION

We have not been significantly impacted by inflation during the periods presented in this report. This is mostly because of the relatively low inflation rates in our markets. Most of our tenants are contractually obligated to pay their share of operating expenses, thereby reducing exposure to increases in such costs resulting from inflation.

IMPACT OF THE YEAR 2000 ISSUE

Many older computer software programs refer to years in terms of their final two digits only. Such programs may interpret the year 2000 to mean the year 1900 instead. If not corrected, this could result in a system failure or miscalculations causing disruption of operations, including a temporary inability to process transactions, prepare financial statements, send invoices or engage in similar normal business activity.

Our accounting software system was certified as Year 2000 compliant by its manufacturer. Accordingly, we do not anticipate problems in processing the billing and collection of revenue, paying of expenditures, recording of financial transactions, preparing financial statements and maintaining and generating system driven managerial information. Our information technology and accounting groups are conducting internal tests to ensure compliance. This testing process was originally scheduled to be completed in the second quarter of 1999. However, due to an upgrade of the software package and the addition of new modules in July 1999, the testing process was extended and is now estimated to be completed in August 1999. Our accounting department has

developed a plan that will enable a certain amount of manual processing to take place in the unlikely event that problems arise with our accounting software.

Our property management team has been continually evaluating the impact of the Year 2000 Issue on the various facets of property operating systems since the beginning of 1998, including the telecommunication, security, energy management, sprinkler and elevator systems. This evaluation process was completed in the second quarter of 1999. Based on the results of this evaluation process, we do not anticipate any material adverse consequences on property operations. Our property management team has alternative plans in place to address unexpected problems that may arise with the property operating systems. Additional property management staff will also be on-call to respond to any such problems beginning January 1, 2000.

We rely on third party suppliers for a number of key services. Interruption of supplier operations due to the Year 2000 Issue could affect our operations. After contacting our significant suppliers regarding their Year 2000 readiness, our property management team does not anticipate any material adverse consequences relating to these suppliers abilities to support our properties. Our property management team plans to continue its efforts to obtain additional written assurance from material suppliers to support representations provided regarding their Year 2000 readiness. Our team will also document in the third quarter of 1999 our contingency plans in the unlikely event that certain suppliers are adversely impacted by the Year 2000 Issue.

We are dependent upon our tenants for revenue and cash flow. Interruptions in tenant operations due to the Year 2000 Issue could result in reduced revenue, increased receivable levels and cash flow reductions. To address this concern, our property management team solicited responses from certain of our significant tenants regarding their Year 2000 readiness. We also reviewed Year 2000 disclosures provided by certain of our significant tenants required to report to the Securities and Exchange Commission. All tenants responding to our solicitation were in the advanced stages of addressing the Year 2000 Issue; this was also the case with all of the tenants included in our review of Year 2000 disclosures reported in filings by such tenants to the Securities and Exchange Commission. The tenants included in our analysis represent 56% of our monthly contractual base rents as of June 30, 1999 multiplied by 12 plus estimated annualized expense reimbursements.

Despite our efforts described above, given the nature of the Year 2000 Issue, there can be no assurance that we will be able to identify and correct all possible aspects. However, based on all information available to us, we believe that we have addressed all areas where the Year 2000 Issue could materially impact our Company's business. Based on information currently available from our internal assessment, we do not expect significant incremental costs associated with our Year 2000 activities during 1999. We will also evaluate Year 2000 issues for all future property acquisitions and development.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks associated with our financial instruments, the most predominant of which is changes in interest rates. Increases in interest rates can result in increased interest expense under our revolving credit facility and our other mortgage loans payable carrying variable interest rate terms. Increases in interest rates can also result in increased interest expense when our mortgage loans payable carrying fixed interest rate terms mature and need to be refinanced.

The following table sets forth our long-term debt obligations, principal cash flows by scheduled maturity, weighted average interest rates and estimated fair market value ("FMV") at June 30, 1999 (dollars in thousands):

<TABLE>
<CAPTION>

	For the Year Ended December 31,							
	1999	2000(2)	2001	2002	2003	Thereafter	Total	FMV
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Long term debt:								
Fixed rate(1)	$ 798	$ 131,998	$ 2,145	$ 2,302	$ 2,472	$ 86,374	$ 226,089	$ 221,205
Average interest rate	7.41%	7.13%	7.29%	7.30%	7.30%	7.68%	7.55%	
Variable rate	$ 10,173	$ 57,199	$ 11,180	$ 11,797	$ 44	$ 1,697	$ 92,090	$ 92,090
Average interest rate	6.84%	6.88%	6.87%	7.67%	8.25%	8.25%	7.82%	

</TABLE>

(1) Includes $30.0 million balance governed by a swap agreement which fixes the LIBOR rate on the underlying loan to 5.085%

(2) Includes $100.0 million maturity in October which may be extended for two one-year terms subject to certain conditions. Includes a $84.1 million maturity in May, which may be extended for a one-year period subject to certain conditions.

Based on our variable rate debt balances during the six months ended June 30, 1999, our interest expense would have increased $340,000 if interest rates were 1% higher.

On January 5, 1999, we entered into an interest rate swap agreement with Deutsche Banc Alex. Brown that fixes our one-month LIBOR base to 5.085% per annum on a notional amount of $30.0 million through May 2001. While this swap agreement reduces the impact of an increase in interest rates, the nonperformance of Deutsche Banc Alex. Brown in this swap agreement, while remote, could result in material losses. We expect to continue to use such swap agreements to reduce the impact of interest rate changes.

PART II

ITEM 1. LEGAL PROCEEDINGS

We are not currently involved in any material litigation nor, to the best of our knowledge, is any material litigation currently threatened against us (other than routine litigation arising in the ordinary course of business, substantially all of which is expected to be covered by liability insurance).

ITEM 2. CHANGES IN SECURITIES

a. None

b. None

c. On April 16, 1999, we issued 326,768 Common Units in our Operating Partnership in connection with the acquisition of the Parkway Crossing Properties. The issuance of these Common Units is exempt from registration under Section 4 (2) of the Securities Act of 1933, as amended. These Common Units are exchangeable into our Common Shares, subject to certain conditions.

On April 28, 1999, we issued seven Common Units in our Operating Partnership in connection with the acquisition of the Commons Corporate Portfolio. The issuance of these Common Units is exempt from registration under Section 4 (2) of the Securities Act of 1933, as amended. These Common Units are exchangeable into our Common Shares, subject to certain conditions.

d. None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

<TABLE>

(a)	Meeting type and date	Annual Meeting of Shareholders held on May 19, 1999
(b)	N/A	
(c)	Description of each matter voted on at meeting	
	Resolution to amend our 1998 Long Term Incentive Plan to (i) increase the number of issuable shares under the plan, (ii) increase the number of shares issuable to one plan participant and (iii) permit the issuance of restricted shares	Results of votes For 12,173,149.975 Against or withheld 980,507.910 Abstentions and broker non-votes 45,685.000

</TABLE>

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

<TABLE>

<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
2.1	Agreement and Plan of Merger, dated January 31, 1998, among the Registrant, the Maryland Company and the Company (filed with the Trust's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
2.2	Assignment of Partnership Interests, dated April 30, 1998, between Airport Square Limited Partnership, Airport Square Corporation, Camp Meade Corporation and COPT Airport Square One LLC and COPT Airport Square Two LLC. (filed with the Company's Current Report on Form 8-K on May 14, 1998 and incorporated herein by reference).
2.3	Assignment of Purchase and Sale Agreement, dated April 30, 1998, between Aetna Life Insurance Company and the Operating Partnership. (filed with the Company's Current Report on Form 8-K on May 14, 1998 and incorporated herein by reference).
2.4	Assignment of Loan Purchase and Sale Agreement, dated April 30, 1998, between Constellation Real Estate, Inc. and the Operating Partnership. (filed with the Company's Current Report on Form 8-K on May 14, 1998 and incorporated herein by reference).
2.5	Purchase and Sale Agreement, dated April 1, 1998, between Aetna Life Insurance Company and Airport Square Limited Partnership (filed with the Company's Current Report on Form 8-K on May 14, 1998 and incorporated herein by reference).
2.6.1	Loan Purchase and Sale Agreement, dated March 13, 1998, between Aetna Life Insurance Company and Constellation Real Estate, Inc. (filed with the Company's Current Report on Form 8-K on May 14, 1998 and incorporated herein by reference).
2.6.2	Amendment to Loan Purchase and Sale Agreement, dated April 16, 1998, between Aetna Life Insurance Company and Constellation Real Estate, Inc. (filed with the Company's Current Report on Form 8-K on May 14, 1998 and incorporated herein by reference).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
2.7.1	Purchase and Sale Agreement, dated March 4, 1998, between 695 Rt. 46 Realty, LLC, 710 Rt. 46 Realty, LLC and COPT Acquisitions, Inc. (filed with the Company's Current Report on Form 8-K on June 10, 1998 and incorporated herein by reference).
2.7.2	Letter Amendment to Purchase and Sale Agreement, dated March 26, 1998, between 695 Rt. 46 Realty, LLC, 710 Rt. 46 Realty, LLC and COPT Acquisitions, Inc. (filed with the Company's Current Report on Form 8-K on June 10, 1998 and incorporated herein by reference).
2.8.1	Contribution Agreement between the Company and the Operating Partnership and certain Constellation affiliates (filed as Exhibit A of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.8.2	First Amendment to Contribution Agreement, dated July 16, 1998, between Constellation Properties, Inc. and certain entities controlled by Constellation Properties, Inc. (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
2.8.3	Second Amendment to Contribution Agreement, dated September 28, 1998, between Constellation Properties, Inc. and certain entities controlled by Constellation Properties, Inc. (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
2.9	Service Company Asset Contribution Agreement between the Company and the Operating Partnership and certain Constellation

	affiliates (filed as Exhibit B of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.10.1	Option Agreement, dated May 14, 1998, between the Operating Partnership and NBP-III, LLC (a Constellation affiliate) (filed as Exhibit C of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.10.2	First Amendment to Option Agreement, dated June 22, 1998, between the Operating Partnership and NBP-III, LLC (a Constellation affiliate) (filed as Exhibit E of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.11.1	Option Agreement, dated May 14, 1998, between the Operating Partnership and Constellation Gatespring II, LLC (a Constellation affiliate) (filed as Exhibit D of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.11.2	First Amendment to Option Agreement, dated June 22, 1998, between the Operating Partnership and Constellation Gatespring II, LLC (a Constellation affiliate) (filed as Exhibit F of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.12	Option Agreement, dated September 28, 1998, between Jolly Acres Limited Partnership, Arbitrage Land Limited Partnership and the Operating Partnership (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
2.13	Right of First Refusal Agreement, dated September 28, 1998, between Constellation Properties, Inc. and the Operating Partnership (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
2.14	Right of First Refusal Agreement, dated September 28, 1998, between 257 Oxon, LLC and the Operating Partnership (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
2.15	Development Property Acquisition Agreement, dated May 14, 1998, between the Operating Partnership and CPI Piney Orchard Village Center, Inc. (a Constellation affiliate) (filed as Exhibit H of the Company's Schedule 14A Information on June 26, 1998 and incorporated herein by reference).
2.16	Contribution Agreement, dated September 30, 1998, between COPT Acquisitions, Inc. and M.O.R. XXIX Associates Limited Partnership (filed with the Company's Current Report on Form 8-K on October 28, 1998 and incorporated herein by reference).
2.17	Purchase and Sale Agreement, dated September 30, 1998, between New England Life Pension Properties II: A Real Estate Limited Partnership and COPT Acquisitions, Inc. (filed with the Company's Current Report on Form 8-K on October 28, 1998 and incorporated herein by reference).
2.18.1	Sale-Purchase Agreement, dated August 20, 1998 between South Middlesex Industrial Park Associates, L.P. and SM Monroe Associates and COPT Acquisitions, Inc. (filed with the Company's Current Report on Form 8-K on October 28, 1998 and incorporated herein by reference).
2.18.2	First Amendment to Sale-Purchase Agreement, dated October 30, 1998, between South Middlesex Industrial Park Associates, L.P. and SM Monroe Associates, L.P. and COPT Acquisitions, Inc. (filed with the Company's Current Report on Form 8-K on November 16, 1998 and incorporated herein by reference).
2.19	Contribution Agreement, dated December 31, 1998, between the

	Operating Partnership and M.O.R. 44 Gateway Associates L.P., RA & DM, Inc. and M.R.U. L.P. (filed with the Company's Current Report on Form 8-K on January 14, 1999 and incorporated herein by reference).
2.20.1	Purchase and Sale Agreement, dated December 31, 1998, between Metropolitan Life Insurance Company and Corporate Office Acquisitions, Inc. (filed with the Company's Current Report on Form 8-K on January 14, 1999 and incorporated herein by reference).
2.20.2	Amendment to Purchase and Sale Agreement, dated December 31, 1998, between Metropolitan Life Insurance Company, DPA/Gateway L.P., Corporate Office Acquisitions, Inc., COPT Gateway, LLC and the Operating Partnership (filed with the Company's Current Report on Form 8-K on January 14, 1999 and incorporated herein by reference).
2.21	Contribution Agreement, dated February 24, 1999, between the Operating Partnership and John Parsinen, John D. Parsinen, Jr., Enterprise Nautical, Inc. and Vernon Beck (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
3.1	Amended and Restated Declaration of Trust of Registrant (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
3.2	Bylaws of Registrant (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
4.1	Form of certificate for the Registrant's Common Shares of Beneficial Interest, $0.01 par value per share (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
4.2	Amended and Restated Registration Rights Agreement, dated March 16, 1998, for the benefit of certain shareholders of the Company (filed with the Company's Quarterly Report on Form 10-Q on August 12, 1998 and incorporated herein by reference).
4.3	Articles Supplementary of Corporate Office Properties Trust Series A Convertible Preferred Shares, dated September 28, 1998 (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
4.4.1	Amended and Restated Limited Partnership Agreement of the Operating Partnership, dated March 16, 1998 (filed with the Company's Quarterly Report on Form 10-Q on August 12, 1998 and incorporated herein by reference).
4.4.2	First Amendment to Amended and Restated Limited Partnership Agreement of the Operating Partnership, dated September 28, 1998 (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
4.4.3	Second Amendment to Amended and Restated Limited Partnership Agreement of the Operating Partnership, dated October 13, 1998 (filed with the Company's Current Report on Form 8-K on October 28, 1998 and incorporated herein by reference).
4.4.4	Third Amendment to Amended and Restated Limited Partnership Agreement of the Operating Partnership, dated December 31, 1998 (filed with the Company's Current Report on Form 8-K on January 14, 1999 and incorporated herein by reference).
4.5	Registration Rights Agreement, dated September 28, 1998, for the benefit of certain shareholders of the Company (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).

4.6	Articles Supplementary of Corporate Office Properties Trust Series B Convertible Preferred Shares, dated July 2, 1999 (filed with the Company's Current Report on Form 8-K on July 7, 1999 and incorporated herein by reference).
10.1	Clay W. Hamlin III Employment Agreement, dated October 14, 1997, with the Operating Partnership (filed with the Company's Current Report on Form 8-K on October 29, 1997, and incorporated herein by reference).
10.2	Employment Agreement, dated October 20, 1997, between the Operating Partnership and Thomas D. Cassel (filed with the Company's Annual Report on Form 10-K on March 25, 1998 and incorporated herein by reference).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
10.3	Employment Agreement, dated September 28, 1998, between Corporate Office Management, Inc. and Randall M. Griffin (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.4	Employment Agreement, dated September 28, 1998, between Corporate Office Management, Inc. and Roger A. Waesche, Jr. (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.5	Management Agreement between Registrant and Glacier Realty, LLC (filed with the Company's Current Report on Form 8-K on October 29, 1997, and incorporated herein by reference).
10.6	Senior Secured Credit Agreement, dated October 13, 1997, (filed with the Company's Current Report on Form 8-K on October 29, 1997, and incorporated herein by reference).
10.7.1	Corporate Office Properties Trust 1998 Long Term Incentive Plan (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
10.7.2	Amendment No. 1 to Corporate Office Properties Trust 1998 Long Term Incentive Plan.
10.8	Stock Option Plan for Directors (filed with Royale Investments, Inc.'s Form 10-KSB for the year ended December 31, 1993 (Commission File No. 0-20047) and incorporated herein by reference).
10.9	Lease Agreement between Blue Bell Investment Company, L.P. and Unisys Corporation dated March 12, 1997 with respect to lot A (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
10.10	Lease Agreement between Blue Bell Investment Company, L.P. and Unisys Corporation, dated March 12, 1997, with respect to lot B (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
10.11	Lease Agreement between Blue Bell Investment Company, L.P. and Unisys Corporation, dated March 12, 1997, with respect to lot C (filed with the Registrant's Registration Statement on Form S-4 (Commission File No. 333-45649) and incorporated herein by reference).
10.12	Senior Secured Revolving Credit Agreement, dated May 28, 1998, between the Company, the Operating Partnership, Any Mortgaged Property Subsidiary and Bankers Trust Company (filed with the Company's Current Report on Form 8-K on June 10, 1998 and incorporated herein by reference).
10.13	Secured Promissory Note, dated April 29, 1997, between 710 Rt. 46 Realty, LLC and Life Investors Insurance Company of America (filed with the Company's Current Report on Form 8-K on June 10,

1998 and incorporated herein by reference).

10.14 Mortgage and Security Agreement, dated April 29, 1997, between 710 Rt. 46 Realty, LLC and Life Investors Insurance Company of America (filed with the Company's Current Report on Form 8-K on June 10, 1998 and incorporated herein by reference).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
10.15	Amended and Restated Deed of Trust Note, dated October 6, 1995, between Cranberry-140 Limited Partnership and Security Life of Denver Insurance Company (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.16.1	Promissory Note, dated September 15, 1995, between Tred Lightly Limited Liability Company and Provident Bank of Maryland (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.16.2	Allonge to Promissory Note, dated September 28, 1998, between Tred Lightly Limited Liability Company and Provident Bank of Maryland (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.17.1	Third Loan Modification and Extension Agreement, dated November 12, 1997, between St. Barnabus Limited Partnership, Constellation Properties, Inc. and NationsBank, N.A. (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.17.2	Fourth Loan Modification Agreement, dated September 28, 1998, between St. Barnabus Limited Partnership, Constellation Properties, Inc. and NationsBank, N.A. (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.18.1	Deed of Trust Note, dated September 20, 1988, between Brown's Wharf Limited Partnership and Mercantile-Safe Deposit and Trust Company (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.18.2	Extension Agreement and Allonge to Deed of Trust Note, dated July 1, 1994, between Brown's Wharf Limited Partnership and Mercantile-Safe Deposit and Trust Company (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.19	Consulting Services Agreement, dated April 28, 1998, between the Company and Net Lease Finance Corp., doing business as Corporate Office Services (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.20	Project Consulting and Management Agreement, dated September 28, 1998, between Constellation Properties, Inc. and COMI (filed with the Company's Current Report on Form 8-K on October 13, 1998 and incorporated herein by reference).
10.21	Promissory Note, dated October 22, 1998, between Teachers Insurance and Annuity Association of America and the Operating Partnership (filed with the Company's Quarterly Report on Form 10-Q on November 13, 1998 and incorporated herein by reference).
10.22	Indemnity Deed of Trust, Assignment of Leases and Rents and Security Agreement, dated October 22, 1998, by affiliates of the Operating Partnership for the benefit of Teachers Insurance and Annuity Association of America (filed with the Company's Quarterly Report on Form 10-Q on November 13, 1998 and incorporated herein by reference).
10.23	Agreement for Services, dated September 28, 1998, between the Company and Corporate

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
	Office Management, Inc. (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.24.1	Lease Agreement, dated September 28,1998, between St. Barnabus Limited Partnership and Constellation Properties, Inc. (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.24.2	First Amendment to Lease, dated December 31, 1998, between St. Barnabus, LLC and Constellation Properties, Inc. (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.25.1	Lease Agreement, dated August 3, 1998, between Constellation Real Estate, Inc. and Constellation Properties, Inc. (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.25.2	First Amendment to Lease, dated December 30, 1998, between Three Centre Park, LLC and Constellation Properties, Inc. (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.26.1	Lease Agreement, dated April 27, 1993, between Constellation Properties, Inc. and Baltimore Gas and Electric Company (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.26.2	First Amendment to Lease, dated December 9, 1998, between COPT Brandon, LLC and Baltimore Gas and Electric Company (filed with the Company's Quarterly Report on Form 10-Q on May 14, 1999 and incorporated herein by reference).
10.27	Underwriting Agreement, dated June 29, 1999, between Corporate Office Properties Trust and the underwriters of the Series B Preferred Shares (filed with the Company's Current Report on Form 8-K on July 7, 1999 and incorporated herein by reference).
10.28	Contribution Rights Agreement, dated June 23, 1999, between the Operating Partnership and United Properties Group, Incorporated.
27	Financial Data Schedule.

</TABLE>

c. Reports on Form 8-K

We filed the following Current Reports on Form 8-K in the three months ended June 30, 1999:

Item 5 dated June 14, 1999 in connection with the acquisition of the Commons Corporate Portfolio and the probable transaction with United Properties Group, Inc.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORPORATE OFFICE PROPERTIES TRUST

Date: August 13, 1999 By: /s/ Randall M. Griffin

Randall M. Griffin
President and Chief Operating Officer

Date: August 13, 1999 By: /s/ Roger A. Waesche, Jr.

Roger A. Waesche, Jr.
Senior Vice President and Chief Financial Officer

AMENDMENT NO. 1 TO
CORPORATE OFFICE PROPERTIES TRUST
1998 LONG TERM INCENTIVE PLAN

1. BACKGROUND.

This Amendment No. 1 is made and entered into as of the Effective Date set forth below for the purpose of amending certain provisions of the 1998 Long Term Incentive Plan (the "Plan") of Corporate Office Properties Trust (the "Company"). Except as otherwise specifically set forth in this Amendment No. 1, all terms and provision of the Plan shall remain in full force and effect.

2. DEFINITIONS.

A. Section 2 of the Plan shall be amended by deleting subsection (b) thereof in its entirety and substituting the following therefor:

(b) "Award" means any Option, Dividend Equivalent, or Restricted Shares granted to an Eligible Person under the Plan.

B. Section 2 of the Plan shall be amended by adding the following new subsection (v) immediately following subsection (u):

(v) "Restricted Shares" means any Shares awarded under Section 5(d) that are subject to restrictions specified at the time of the Award.

3. SHARES SUBJECT TO THE PLAN.

A. Section 4 of the Plan shall be amended by deleting subsections (a) and (b) thereof in their entirety and substituting the following:

(a) Subject to adjustment as provided in Section 4(c) hereof, the total number of Shares reserved for issuance in connection with Awards under the Plan shall be 10% of the total of: (i) the number of issued and outstanding Shares at the time the Award is granted, plus (ii) the number of Shares which would be outstanding upon redemption of all operating partnership units or other securities of the Company which are convertible into Shares at the time the Award is granted and which have not yet been so redeemed; provided, however, that no more than 300,000 Shares shall be cumulatively available for Awards of ISOs hereunder and no more than 30% of the total number of Shares reserved for issuance hereunder shall be cumulatively available for Awards of Restricted Shares. No Award may be granted if the number of Shares to which such Award relates, when added to the number of Shares previously issued under the Plan, exceeds the number of Shares reserved under the

preceding sentence. If any Awards are forfeited, canceled, terminated, exchanged, or surrendered, or such Award is settled in cash or otherwise terminates without a distribution of Shares to the Participant, any Shares counted against the number of Shares reserved and available under the Plan with respect to such Award shall, to the extent of any such forfeiture, settlement, termination, cancellation, exchange, or surrender, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall be canceled to the extent of the number of Shares as to which the Award is exercised.

(b) Subject to adjustment as provided in Section 4(c) hereof, the maximum number of Shares with respect to which Options may be granted and the maximum number of Restricted Shares which may be awarded during a calendar year to any Eligible Person under this Plan shall be 300,000 Shares and 300,000 Restricted Shares.

4. RESTRICTED SHARE AWARDS.

A. Section 5 of the Plan shall be amended by adding the following new subsection (d) immediately following subsection (c):

(d) RESTRICTED SHARES. The Board is authorized to grant Awards consisting of Restricted Shares to Eligible Persons, on the

following terms and conditions:

(i) AWARDS. At the time of an Award of Restricted Shares, the Board shall cause the company to deliver to the Participant, or to a custodian or escrow agent designated by the Board, a certificate or certificates for such Restricted Shares, registered in the name of the Participant. The Participant shall have all the rights of a stockholder with respect to such Restricted Shares, subject to the terms and conditions, including forfeiture or resale to the Company, if any, as the Board may determine to be desirable pursuant to this Section 5(d). The Board may designate the Company or one or more of its executive officers to act as custodian or escrow agent for the certificate(s).

(ii) RESTRICTED SHARE AGREEMENT. A Participant granted an Award of Restricted Shares shall not be deemed to have become a stockholder of the Company, or to have any rights with respect to such Restricted Shares (including the rights to vote or to receive dividends), unless and until such Participant shall have executed a Restricted Share Agreement, a stock power endorsed in blank, or another instrument evidencing the Award, in form and substance satisfactory to the Board, and delivered a fully executed copy thereof to the Company and otherwise complied with the then applicable terms and conditions of such Award. The terms and conditions of each such Restricted Share Agreement shall be determined by the Board, and such terms and conditions may differ among individual Awards and Participants.

(iii) RESTRICTIONS. Restricted Shares awarded under this Plan may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of, except as specifically provided herein or in the Restricted Share Agreement. The Board at the time of the Award shall specify the date or dates and/or the attainment of performance goals, objectives, and other conditions on which such restrictions and the Company's right of repurchase or forfeiture shall lapse.

(iv) CERTIFICATE AND LEGEND. When an Award of Restricted Shares is granted to a Participant, the Company shall issue a certificate or certificates in respect of such Restricted Shares, which shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award in substantially the following form:

> "The transferability of the common shares of beneficial interest represented by this certificate are subject to the terms and conditions (including forfeiture) of a Restricted Share Agreement entered into between the registered owner and Corporate Office Properties Trust. A copy of such agreement is on file in the offices of the Secretary of the Company, (address)."

(v) PAYMENT. Except as may be otherwise determined by the Board (or as required in order to satisfy the tax withholding obligations imposed under Section 8(c) of this Plan), Participants granted Awards of Restricted Shares will not be required to make any payment or provide any consideration to the Company other than the rendering of their services.

(vi) FORFEITURE. Subject to the provisions of subsection (vii) of this Section 5(d), upon termination of the Participant's employment for any reason prior to the expiration or other termination of the restrictions described in subsection (iii) of this Section 5(d), all Restricted Shares with respect to which such restrictions have not yet expired or been terminated shall be forfeited to the Company and may be repurchased by the Company for a purchase price equal to the original purchase price paid by the Participant for such Restricted Shares.

(vii) WAIVER OF RESTRICTIONS. In the event of a Participant's normal retirement, permanent total disability, or death, or in cases of special circumstances, the Board, in its sole discretion, may waive in whole or in part any or all remaining restrictions with respect to such Participant's Restricted Shares.

B. Section 7 of the Plan shall be amended by deleting subsection (a)

thereof in its entirety and substituting the following therefor:

(a) ACCELERATION OF EXERCISABILITY AND LAPSE OF RESTRICTIONS; CASH-OUT OF AWARDS. Unless otherwise provided by the Board at the time of the Award grant, all outstanding Awards pursuant to which the Participant may have rights the exercise of which is restricted or limited (including, but not limited to, restrictions upon the sale or transfer of Restricted Shares) shall become fully exercisable at the time of a Change of Control.

5. EFFECTIVE DATE.

This Amendment No. 1 shall become effective upon its approval by shareholders of the Company ("Effective Date").`

Exhibit 10-28

CONTRIBUTION RIGHTS AGREEMENT

THIS CONTRIBUTION RIGHTS AGREEMENT (this "AGREEMENT") is made as of this 23rd day of June, 1999, by and between CORPORATE OFFICE PROPERTIES, L.P., a Delaware limited partnership, having its principal office at 8815 Centre Park Drive, Suite 400, Columbia, Maryland 31046-2372 ("COPLP"), and UNITED PROPERTIES GROUP, INCORPORATED, a New York corporation, having an address at 305 W. Grand Avenue, Suite 100, Montvale, New Jersey 07645 ("CONTRIBUTOR").

WHEREAS, Contributor is the owner of one hundred percent (100%) of the limited liability company member interests in 9690 Deereco Road LLC, a Maryland limited liability company ("DEERECO"), which in turn owns in fee simple that certain tract or parcel of land known as 9690 Deereco Road, Baltimore County, Maryland, and more particularly described on EXHIBIT "A" attached hereto and made a part hereof and the improvements and personal property (excluding property owned by tenants) located thereon (the "DEERECO PROPERTY");

WHEREAS, Contributor is the owner of one hundred percent (100%) of the limited liability company member interests in Atrium Building LLC, a Maryland limited liability company ("ATRIUM"), which in turn owns in fee simple that certain tract or parcel of land known as 375 Padonia Road West, Baltimore County, Maryland, and more particularly described on EXHIBIT "B" attached hereto and made a part hereof and the improvements and personal property (excluding property owned by tenants) located thereon (the "ATRIUM PROPERTY");

WHEREAS, Contributor is the owner of one hundred percent (100%) of the limited liability company member interests in Brown's Wharf, LLC, a Maryland limited liability company ("BROWN'S WHARF"), which in turn owns in fee simple those certain tracts or parcels of land known as 1615, 1625 and 1629 Thames Street, Baltimore County, Maryland, and more particularly described on EXHIBIT "C" attached hereto and made a part hereof and the improvements and personal property (excluding property owned by tenants) located thereon (the "BROWN'S WHARF PROPERTY")

WHEREAS, Contributor desires to have the right to contribute, as a whole, the limited liability company member interests in Deereco, Atrium and Brown's Wharf (hereinafter referred to collectively, from time to time, as the "PROPERTY" and described more particularly in the Contribution Agreement (as hereinafter defined) as the "Contributed Interests") to COPLP or a successor partnership, and COPLP is willing to grant such a right on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the capitalized terms not expressly defined herein shall have the meaning established in the Contribution Agreement.

2. CONTRIBUTION RIGHT; CONTRIBUTION CONSIDERATION. (a) At any time on or before March 31, 2000 ("CONTRIBUTION DEADLINE"), Contributor shall have the right (the "CONTRIBUTION RIGHT"), by written notice to COPLP, to contribute all, but not less than all, of the Property (the "CONTRIBUTION") to COPLP (or to a successor partnership). To exercise the Contribution Right, Contributor shall deliver to COPLP written notice of its exercise of that right on or before the Contribution Deadline. Within ten (10) days after the date upon which Contributor shall have provided such written notice to COPLP, time being of the essence, COPLP and Contributor shall execute a Contribution Agreement in the form attached hereto as EXHIBIT "D" (the "CONTRIBUTION AGREEMENT"). Provided all conditions precedent set forth in the Contribution Agreement are satisfied or waived by the appropriate party thereto, the parties shall cause the Contribution to be effected pursuant to the Contribution Agreement as soon as reasonably practicable, but in no event sooner than fifteen (15) days after the Contract Date or later than thirty (30) days after the Contract Date.

(b) In consideration of the contribution of the Property, and subject to the terms of the Contribution Agreement, at the closing under the Contribution Agreement, COPLP shall pay to Contributor a sum equal to the aggregate undepreciated book value of the Projects (calculated by Contributor in accordance with GAAP as of the Closing Date) (the "ASSET VALUE"). The Asset Value shall be paid in the following manner:

(i) COPLP shall issue Preferred Units, at the Preferred Unit Price, having an aggregate value equal to the lesser of (a) the Asset Value less the Assumed Indebtedness, or (b) $25,000,000 (as applicable, the "LP UNIT

AMOUNT"). In no event, however, shall the LP Unit Amount be less than $23,861,633.30. The Preferred Units shall (1) entitle the holder to (A) a preferred return, (B) designate a representative for election to the Board of Trustees of COPT, (C) the registration rights set forth in the Registration Rights Agreement, which appears as Exhibit 3 to the COPLP Partnership Agreement, and (D) a liquidation preference, and (2) be convertible into 2.381 Common Units in COPLP for each Preferred Unit, which, in turn, shall be redeemable in accordance with Article 9 of the COPLP Partnership Agreement.

(ii) Subject to (iii) below, COPLP shall assume the Assumed Indebtedness (as such amount is updated on the Closing Date).

(iii) COPLP shall pay in cash to Contributor the balance of the Asset Value (e.g., the amount determined by subtracting the LP Unit Amount and the Assumed Indebtedness from the Asset Value) (the "CASH COMPONENT"); provided, however, that COPLP may, in its sole and absolute discretion, direct Contributor to cause the Assumed Indebtedness to be paid off at the Closing, in which case the Cash Component shall be increased by the amount of the Assumed Indebtedness on the Closing Date. The Cash Component shall be further

adjusted by the positive or negative adjustments and prorations described in Section 17 of the Contribution Agreement, all of which shall be adjusted as of the Closing Date.

3. TOTAL LP UNIT AMOUNT. For purposes of determining the number of Preferred Units to be issued in accordance with Section 2(b) of this Agreement, the LP Unit Amount shall be divided by a Preferred Unit Price equal to $25.00.

4. ASSIGNMENT; TRANSFER OF PROPERTY. Neither Contributor nor COPLP shall at any time sell, assign or transfer its interest in this Agreement or the Contribution Agreement without the prior written consent of the other party; provided, however, that COPLP shall have the right to transfer its interest hereunder and under the Contribution Agreement to a successor partnership (if any), but not otherwise.

5. CONTRIBUTOR REPRESENTATIONS, ACKNOWLEDGMENTS. (a) Contributor represents and warrants to COPLP that it is an Accredited Investor as of the date hereof and that it can and will comply with the related provisions of the Contribution Agreement, including without limitation the provisions of Article 4 and Section 11.1.4 of the Contribution Agreement applicable to Contributor.

(b) Contributor acknowledges receipt of the informational materials described in Section 4.2 of the Contribution Agreement and agrees that, in connection with the execution of the Contribution Agreement (if the Contribution Right is exercised), COPLP shall only be required to deliver those materials described in clauses (iv) and (v) of Section 4.2 to the extent they are issued on or after the date of this Agreement and prior to the Contract Date.

6. LIMITED RECOURSE AGAINST COPLP AND CONTRIBUTOR. (a) No recourse shall be had against any past, present or future trustee, shareholder, partner, member, officer or employee of COPLP, COPT or their subsidiaries or affiliates for any obligation of COPLP, COPT or such subsidiaries or affiliates under this Agreement or under any document executed in connection herewith or pursuant hereto, or for any claim based thereon or otherwise in respect thereof, whether by virtue of any statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being expressly waived and released by Contributor and all parties claiming by, through or under Contributor.

(b) No recourse shall be had against any past, present or future trustee, shareholder, partner, member, officer or employee of Contributor or its subsidiaries or affiliates for any obligation of Contributor or such subsidiaries or affiliates under this Agreement or under any document executed in connection herewith or pursuant hereto, or for any claim based thereon or otherwise in respect thereof, whether by virtue of any statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being expressly waived and released by COPLP and COPT and all parties claiming by, through or under COPLP and COPT.

6. ENTIRE AGREEMENT. This Agreement (including the attached Exhibits) contains the entire Agreement between the parties regarding the subject matter hereof, and any agreement hereafter made shall not operate to change, modify or discharge this Agreement in whole or in part unless such

agreement is in writing and signed by the party sought to be charged therewith.

7. NOTICES. To have any validity, notices or other communications specifically referred to in this Agreement by either party to the other must be in writing and must be given in the following manner: (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by a commercial overnight courier that guarantees next day delivery and requires a written receipt, signed by the addressee, or (d) by legible facsimile with printed confirmation of receipt (followed by hard copy delivered in accordance with preceding subsections (a)-(c)). All notices or other communications properly addressed and sent in accordance with this Section shall be deemed given or served (1) upon delivery if delivered in person, (2) five (5) days after mailing if sent by certified mail, (3) one (1) business day after mailing if sent by reputable overnight courier, or (4) upon receipt if sent by confirmed facsimile.

8. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.

9. COUNTERPARTS. This Agreement may be executed in two or more counterparts, and all such counterparts shall be deemed to constitute but one and the same instrument.

[Execution Page Follows]

IN WITNESS WHEREOF, COPLP and Contributor have executed this Agreement the day and year first written above.

CORPORATE OFFICE PROPERTIES, L.P., a Delaware limited partnership

By: CORPORATE OFFICE PROPERTIES TRUST, a Maryland Real Estate Investment Trust, its sole General Partner

By: /s/ John Harris Gurley
Name: John Harris Gurley
Title: Vice President

UNITED PROPERTIES GROUP, INCORPORATED, a New York corporation

By: /s/ Joseph S. Thompson
Name: Joseph S. Thompson
Title: Vice President

EXHIBIT "A"

DEERECO PROPERTY DESCRIPTION

See Following Page.

EXHIBIT "B"

ATRIUM PROPERTY DESCRIPTION

See Following Page.

EXHIBIT "C"

BROWN'S WHARF PROPERTY DESCRIPTION

See Following Page.

EXHIBIT "D"

FORM OF CONTRIBUTION AGREEMENT

See Following Page.

CONTRIBUTION AGREEMENT

Between

COPT ACQUISITIONS, INC.

And

UNITED PROPERTIES GROUP, INCORPORATED

Dated as of _____, ____

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

<TABLE>
<CAPTION>

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THIS CONTRIBUTION AGREEMENT (this "AGREEMENT") is made and entered into as of the ___ day of _____, _____ (the "CONTRACT DATE"), by and among UNITED PROPERTIES GROUP, INCORPORATED, a New York corporation ("CONTRIBUTOR"), the other parties, if any, identified on the signature page hereto (collectively, together with Contributor, the "LP UNIT RECIPIENTS") and COPT ACQUISITIONS, INC., a Delaware corporation ("ACQUIROR").

BACKGROUND

A. Contributor is the owner of (i) one hundred percent (100%) of the limited liability company member interests in 9690 Deereco Road LLC, a Maryland limited liability company ("DEERECO"), (ii) one hundred percent (100%) of the limited liability company member interests of Atrium Building LLC, a Maryland limited liability company ("ATRIUM"), and (iii) one hundred percent (100%) of the limited liability company member interests in Brown's Wharf, LLC, a Maryland limited liability company ("BROWN'S WHARF"). Deereco, Atrium and Brown's Wharf shall be referred to, from time to time, individually as an "OWNER" and collectively as the "OWNERS". Each Owner is the record and beneficial owner of its respective Project (as defined below) identified on EXHIBIT A.

B. Each Project includes that certain building (the "BUILDING"), containing the number of rentable square feet identified on EXHIBIT A, and is located at and known as the address set forth on EXHIBIT A. Each Building is leased by its Owner to tenants ("TENANTS") for office purposes. In this Agreement, the term "PROJECT" shall mean: (i) each parcel of land described on EXHIBIT A attached hereto (the "LAND"), together with all rights, easements and interests appurtenant thereto, including any streets or other public ways adjacent to the Land and any water or mineral rights owned by, or leased to, Contributor or Owner; (ii) all improvements located on the Land, including the Building, and all other structures, systems, and utilities associated with, and utilized by, Contributor or Owner in the ownership and operation of the Building (all such improvements being collectively referred to herein as the "IMPROVEMENTS"), but excluding improvements, if any, owned by Tenants; (iii) all personal property of every nature and description owned by Contributor or Owner (excluding Inventory (as defined below)) and either (A) located on or in the Land or Improvements, or (B) used in connection with the operation and maintenance of the Project (collectively, the "PERSONAL PROPERTY"), including all (if any) personal property listed on EXHIBIT B attached hereto; (iv) all building materials, supplies, hardware, carpeting and other inventory owned by Contributor or Owner and maintained in connection with Contributor's or Owner's ownership and operation of the Land and/or Improvements (collectively, the "INVENTORY"); (v) all intangible property owned by Contributor or Owner used or useful in connection with the foregoing including all trademarks, tradenames, development rights, entitlements, contract rights, tenant improvement loans, guarantees, licenses, permits and warranties (collectively, the "INTANGIBLE PERSONAL PROPERTY");

and (vi) Contributor's or Owner's interest in all leases (including all amendments and guarantees related thereto) and other agreements to occupy all or any portion of the Land and/or Improvements in effect on the Contract Date or into which such Contributor or Owner enters after the Contract Date but prior to the Closing (as defined below) pursuant to the express terms of this Agreement (collectively, the "LEASES").

C. Contributor and Acquiror desire to enter into this Agreement relating to the contribution and conveyance of all of the limited liability company member interests in Deereco, Atrium and Brown's Wharf (collectively, the "CONTRIBUTED INTERESTS") in exchange for LP Units (as defined below) and, if Acquiror so elects, the assumption of the Assumed Indebtedness (as defined below).

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the parties agree as follows:

1. DEFINITIONS.

All terms which are not otherwise defined in this Agreement shall have the meaning set forth in this Section 1.

1.1. "ACCREDITED INVESTOR" shall have the meaning set forth in Regulation D promulgated under the Securities Act of 1933, as amended.

1.2. "ACQUIROR" shall have the meaning set forth in the opening paragraph of this Agreement.

1.3. "ACQUIROR INDEMNIFIED PARTY" shall have the meaning set forth 20.3.1.

1.4. "ADVERSE TAX CONSEQUENCE" shall have the meaning set forth in Section 5.3.2.

1.5. "AFFILIATE(S)" shall have the meaning set forth in Section

21.

1.6. "AMENDMENT" shall have the meaning set forth in Section 4.1.1.

1.7. "ASSET VALUE" shall have the meaning set forth in Section 3.1.

1.8. "ASSIGNED CONTRACTS" shall have the meaning set forth in Section 16.1.4.

1.9. "ASSUMED INDEBTEDNESS" shall mean all of the indebtedness of the Owners as of the Closing Date with respect to the Projects, the outstanding principal balance of which (and other pertinent information) is described on SCHEDULE 10.13 attached hereto, such indebtedness being the only indebtedness that may, at Acquiror's election, be assumed by Acquiror in connection with the transaction contemplated hereby. The Assumed Indebtedness is evidenced and secured by the Existing Loan Documents.

1.10. "ATRIUM" shall have the meaning set forth in the recitals to this Agreement.

1.11. "BROWN'S WHARF" shall have the meaning set forth in the recitals to this Agreement.

1.12. "BUILDING" shall have the meaning set forth in the recitals to this Agreement.

1.13. "CASH COMPONENT"shall have the meaning set forth in Section 3.1.3.

1.14. "CLOSING" or "CLOSING DATE" shall have the meaning set forth in Section 6 below.

1.15. "CLOSING STATEMENT" shall have the meaning set forth in Section 16.1.12.

1.16. "CODE" shall have the meaning set forth in Section 5.3.1.

1.17. "COMMON UNITS" shall mean common units in the UPREIT.

1.18. "CONTRACT DATE" shall have the meaning set forth in the opening paragraph to this Agreement.

1.19. "CONTRIBUTED INTERESTS" shall have the meaning set forth in the recitals to this Agreement.

1.20. "CONTRIBUTION CONSIDERATION" shall have the meaning set forth in Section 3.1.

1.21. "CONTRIBUTOR" shall have the meaning set forth in the opening paragraph to this Agreement.

1.22. "CONTRIBUTOR'S DELIVERIES" shall have the meaning set forth in Section 7.

1.23. "CONVERSION SHARES" shall have the meaning set forth in Section 4.1.4.

1.24. "DAMAGE" shall have the meaning set forth in Section 19.

1.25. "DEERECO" shall have the meaning set forth in the recitals to this Agreement.

1.26. "EMINENT DOMAIN" shall have the meaning set forth in Section 19.

1.27. "EXCHANGE" shall have the meaning set forth in Section 5.4.

1.28. "EXISTING LOAN DOCUMENTS" shall mean the documents evidencing or securing the Assumed Indebtedness, as described on SCHEDULE 10.13.

1.29. "GOVERNMENTAL AUTHORITY/AUTHORITIES" shall mean any agency, commission, department or body of any municipal, township, county,

local, state or federal governmental or quasi-governmental regulatory unit, entity or authority having jurisdiction or authority over all or any portion of any Project or the management, operation, use or improvement thereof.

1.30. "HAZARDOUS SUBSTANCE" shall have the meaning set forth in Section 10.12 below.

1.31. "IMPROVEMENTS" shall have the meaning set forth in the recitals to this Agreement.

1.32. "INFORMATIONAL MATERIALS" shall have the meaning set forth in Section 11.1.4 below.

1.33. "INTEREST HOLDER(S)" shall mean any direct shareholders of Contributor.

1.34. "INTANGIBLE PERSONAL PROPERTY" shall have the meaning set forth in the recitals to this Agreement.

1.35. "INVESTOR MATERIALS" shall have the meaning set forth in Section 4.1.3.

1.36. "INVENTORY" shall have the meaning set forth in the recitals to this Agreement.

1.37. "LAND" shall have the meaning set forth in the recitals to this Agreement.

1.38. "LEASES" shall have the meaning set forth in the recitals to this Agreement.

1.39. "LENDER'S APPROVALS" shall have the meaning set forth in Section 14.1.3.

1.40. "LOCK-UP PERIOD," as to the LP Units issued at the Closing, shall mean the period equal to the longer of (a) one (1) year following the Closing, and (b) the date on which a registration statement filed in respect of such LP Units issued to the LP Unit Recipients pursuant to the Registration Rights Agreement is declared effective. The foregoing notwithstanding, in no event shall the Lock-Up Period extend more than two (2) years following Closing hereunder.

1.41. "LOSSES" shall have the meaning set forth in Section 20.3.1.

1.42. "LP UNITS" shall mean the Common Units and the Preferred Units collectively.

1.43. "LP UNIT AMOUNT" shall have the meaning set forth in Section 3.1.1.

1.44. "LP UNIT RECIPIENTS" shall have the meaning set forth in the opening paragraph to this Agreement.

1.45. "MAXIMUM AMOUNT" shall have the meaning set forth in Section 5.1.2.

1.46. "NON-RECOGNITION CODE PROVISIONS" shall have the meaning set forth in Section 5.1.1.

1.47. "NON-TAXABLE DISPOSITION PERIOD" shall mean the seven (7) year period commencing on the Closing Date and ending on the seventh anniversary of the Closing Date, as such period may be sooner terminated in accordance with Section 5.

1.48. "OWNER(S)" shall have the meaning set forth in the recitals to this Agreement.

1.49. "PARTNERSHIP AGREEMENT" shall mean the agreement of limited partnership of the UPREIT, as amended from time to time prior to and including the Contract Date.

1.50. "PERMITTED EXCEPTIONS" shall have the meaning set forth in Section 9.1.

1.51. "PERSONAL PROPERTY" shall have the meaning set forth in the recitals to this Agreement.

1.52. "PREFERRED UNITS" shall mean convertible preferred units in the UPREIT.

1.53. "PREFERRED UNIT PRICE" shall mean $25.00.

1.54. "PROHIBITED EXCEPTIONS" shall have the meaning set forth in Section 9.1.

1.55. "PROJECT" shall have the meaning set forth in the recitals to this Agreement.

1.56. "PROJECT CONTACTS" shall mean the individuals or entitles designated on SCHEDULE 5.2.

1.57. "RECORDS" shall mean all books, records, tax returns, correspondence, financial data, leases, and all other documents and matters, public or private, maintained by Contributor, the Owners or their agents, relating to receipts and expenditures pertaining to any Owner or any Project for the three most recent full calendar years (or such shorter time period as Contributor shall have owned the Contributed Interests) and the current calendar year and all contracts, rental agreements and all other documents and matters, public or private, maintained by Contributor, the Owners or their agents, relating to operations of any Project.

1.58. "REGISTRATION RIGHTS AGREEMENT" shall mean the Registration Rights Agreement dated March 16, 1998 (which is attached to the Partnership Agreement as Exhibit 3), the benefits of which shall be conferred upon the LP Unit Recipients at the Closing.

1.59. "REGULATORY VIOLATION NOTICE" shall have the meaning set forth in Section 4.1.3.

1.60. "REIT" means Corporate Office Properties Trust, a publicly traded Maryland real estate investment trust.

1.61. "SCHEDULES" shall have the meaning set forth in Section 10.

1.62. "SEC" shall mean the Securities and Exchange Commission.

1.63. "SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

1.64. "SPOKESPERSON" shall have the meaning set forth in Section 5.3.2.

1.65. "TAX RELATED EVENT" and "TAX RELATED NOTICE" shall have the meanings set forth in Section 5.3.1.

1.66. "TENANTS" shall have the meaning set forth in the recitals to this Agreement.

1.67. "TITLE COMPANY" shall mean Chicago Title Insurance Company.

1.68. "TITLE REPORT" shall have the meaning set forth in Section 9.2.

1.69. "UPREIT" means Corporate Office Properties, L.P., a Delaware limited partnership.

References to this "Agreement" shall mean this Agreement, including all amendments, modifications and supplements hereto and any exhibits or schedules to any of the foregoing, and shall refer to this Agreement as the same may be in effect at the time such reference becomes operative. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the exhibits and schedules hereto, as the same may from time to time be amended, modified, restated or supplemented, and not to any particular article, section, subsection or clause contained in this Agreement. The term "including" shall be interpreted to mean "including without limitation." Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

2. CONTRIBUTION.

2.1. ASSIGNMENT TO THE UPREIT. Immediately prior to the Closing, Acquiror shall assign its entire right, title and interest in, to and under this Agreement to the UPREIT, and the sole general partner of the UPREIT shall be the REIT. Simultaneously with such assignment, the UPREIT shall assume all of Acquiror's obligations and responsibilities under this Agreement.

2.2. CONTRIBUTION. At the Closing, Contributor agrees to contribute and convey to the UPREIT, and Acquiror agrees to cause the UPREIT to accept and take from Contributor, on the terms and conditions set forth in this Agreement, all of Contributor's right, title and interest in and to the Contributed Interests.

3. CONTRIBUTION CONSIDERATION.

3.1. PAYMENT OF CONTRIBUTION CONSIDERATION. In consideration of the contribution of the Contributed Interests, and subject to the terms of this Agreement, at the Closing, the UPREIT shall pay to Contributor a sum equal to the aggregate undepreciated book value of the Projects (calculated by Contributor in accordance with GAAP as of the Closing Date) (the "ASSET VALUE"). The Asset Value shall be paid in the following manner:

3.1.1. The UPREIT shall issue up to 1,000,000 Preferred Units, at the Preferred Unit Price, having an aggregate value equal to the lesser of (a) the Asset Value less the Assumed Indebtedness, or (b) $25,000,000 (as applicable, the "LP UNIT AMOUNT"). In no event, however, shall the LP Unit Amount be less than $23,861,633.30.

3.1.2. Subject to Section 3.1.3 below, the UPREIT may, in its sole and absolute discretion, assume the Assumed Indebtedness (as such amount is updated on the Closing Date from the amount shown SCHEDULE 10.13).

3.1.3. The UPREIT shall pay in cash to Contributor the balance of the Asset Value (e.g., the amount determined by subtracting the LP Unit Amount and the Assumed Indebtedness from the Asset Value) (the "CASH COMPONENT"); provided, however, that the UPREIT may, in its sole and absolute discretion, direct Contributor to cause the Assumed Indebtedness to be paid off at the Closing, in which case the Cash Component shall be increased by the amount of the Assumed Indebtedness on the Closing Date. The Cash Component shall be further adjusted by the positive or negative adjustments and prorations described in Section 17 below, all of which shall be adjusted as of the Closing Date.

The payment of the Cash Component, the assumption of the Assumed Indebtedness and the issuance of the LP Units described in this Section 3.1 shall be collectively referred to herein as the "CONTRIBUTION CONSIDERATION".

3.2. INTENTIONALLY OMITTED.

3.3. ASSUMPTION FEES, ETC. Contributor acknowledges and agrees that Contributor shall be solely responsible for any and all fees and costs imposed by the holder of the Assumed Indebtedness in connection with the UPREIT's assumption of the Assumed Indebtedness (such as, but not limited to, assumption fees, costs and expenses of the holder or servicer of the Existing Loan Documents, etc.).

3.4. FRACTIONAL NUMBER OF LP UNITS. If the above-described calculation of Contribution Consideration would result in a fractional number of LP Units to be delivered to

Contributor, the UPREIT shall round that fraction up or down, as the case may be, to the nearest whole number of LP Units.

3.5. PREFERRED UNITS. The Preferred Units shall be entitled to an annual preferred return of (a) 9% for each of the ten (10) years following the Closing Date, (b) 10.5% for each of the next five years, and (c) 12% for each subsequent year, such preferred return to be paid, in each case, quarterly in arrears. The Preferred Units shall be entitled to a liquidation preference of $25.00 per unit, plus all accrued but unpaid dividends. The Preferred Units shall be entitled to anti-dilution protection to the same extent as the Warrants as set forth in the Warrant Agreement annexed as EXHIBIT G. Each of the

Preferred Units may be converted into 2.381 Common Units on or after the date which is one (1) year after the date the Preferred Units are issued to an LP Unit Recipient pursuant to this Agreement. The UPREIT shall have the right to redeem for cash all outstanding Preferred Units after the tenth (10th) anniversary of the Closing Date by giving the holder(s) thereof not less than sixty (60) days' prior written notice.

3.6. WARRANTS. On the Closing Date, the UPREIT shall issue to Contributor ten-year detachable warrants exercisable for additional Common Units pursuant to a warrant agreement in substantially the form of EXHIBIT G.

4. LP UNITS; INVESTOR MATERIALS.

4.1. LP UNITS GENERALLY.

4.1.1. Subject to Section 3.5 above, the Preferred Units shall be convertible into Common Units and the Common Units shall be redeemable for shares of common stock of the REIT or cash (or a combination thereof) in accordance with the procedures described herein and in the Partnership Agreement. Contributor acknowledges that the LP Units are not certificated and that, therefore, the issuance of the LP Units shall be evidenced by the execution and delivery of an amendment to the Partnership Agreement substantially in the form of EXHIBIT H, which amendment shall be executed and delivered by the REIT at the Closing (the "AMENDMENT").

4.1.2. Contributor hereby directs the UPREIT to deliver the LP Units at the Closing issued in the names of, and for distribution to, those LP Unit Recipients set forth on SCHEDULE 4.1.2 attached hereto. Each LP Unit Recipient shall receive the number and type of LP Units set forth on said Schedule.

4.1.3. Contributor has delivered to Acquiror, and has caused its Interest Holders and any other LP Unit Recipient to deliver to Acquiror, or to any other party designated

by Acquiror, a completed representation letter in substantially the form set forth in EXHIBIT C attached hereto, providing, among other things, information concerning each Contributor's, each Interest Holder's and each LP Unit Recipient's status as an Accredited Investor. Contributor shall provide or cause to be provided to Acquiror, or to any other party designated by Acquiror, such other information and documentation as may reasonably be requested by Acquiror in furtherance of the issuance of the LP Units as contemplated hereby (together with the information provided on EXHIBIT C, the "INVESTOR MATERIALS"). Notwithstanding anything contained in this Agreement to the contrary, in the event that, in the reasonable opinion of Acquiror, based on advice of its securities counsel, (x) any such person or entity providing Investor Materials is not considered an Accredited Investor, (y) the proposed issuance of LP Units hereunder might not qualify for the exemption from the registration requirements of Section 5 of the Securities Act, or (z) the proposed issuance of LP Units hereunder would violate any applicable federal or state securities laws, rules or regulations, any agreement to which the REIT or the UPREIT is privy, or any tax related or other legal rules, agreements or constraints applicable to Acquiror, the REIT or the UPREIT, Acquiror shall so advise Contributor, in writing (the "REGULATORY VIOLATION NOTICE") within five (5) business days after such determination is made. In the event a Regulatory Violation Notice is delivered for the reason set forth in clause (x) above, the interest of each and every person or other entity with respect to which Acquiror delivers a Regulatory Violation Notice shall be redeemed by Contributor (or Contributor shall otherwise cause such person or other entity to no longer have a direct or indirect interest in Contributor), at no cost to any or all of Acquiror, the REIT and the UPREIT, at least two business days prior to the Closing Date. In the event of any such redemption, SCHEDULE 4.1.2 shall be revised to reflect the updated list of LP Unit Recipients and the revised ownership percentages in the Projects resulting from such redemption. In the event a Regulatory Violation Notice is delivered for another reason, this Agreement shall terminate and no party shall have any further liability hereunder except (i) as otherwise expressly set forth in this Agreement and (ii) to the extent a breach of this Agreement gives rise to, or becomes the basis for, the Regulatory Violation Notice.

4.1.4. Contributor hereby covenants and agrees that it shall deliver or shall cause each of its partners, shareholders, members and any other LP Unit Recipients to deliver to Acquiror, or to any other party designated by Acquiror, any documentation that may be required under the Partnership Agreement or any charter document of the REIT, and such other information and documentation as may reasonably be requested by Acquiror, at such time as any LP Units are redeemed for shares of common stock of the REIT ("CONVERSION SHARES"). The preceding covenant shall survive the Closing.

4.2. CERTAIN INFORMATIONAL MATERIALS. Contributor and the other LP Unit Recipients hereby acknowledge and agree that the ownership of LP Units by them and their respective rights and obligations as limited partners of the UPREIT (including their right to

transfer, encumber, pledge and exchange LP Units) shall be subject to all of the express limitations, terms, provisions and restrictions set forth in this Agreement and in the Partnership Agreement. In that regard, Contributor and each of the other LP Unit Recipients hereby covenants and agrees that, at the Closing, it shall execute any and all documentation reasonably required by the UPREIT and the REIT to formally memorialize the foregoing. Contributor and each of the other LP Unit Recipients acknowledges that it has received and reviewed, prior to the Contract Date, (i) the Partnership Agreement, (ii) the charter documents and bylaws of the REIT, (iii) the REIT's Form 10-K for the year ended December 31, 1998, (iv) all Form 10-Qs and Form 8-Ks that have been filed by the REIT with the SEC since December 31, 1998, and (v) copies of all material press releases, proxy statements and reports to shareholders issued since December 31, 1998, and has otherwise had an opportunity to conduct a due diligence review of the affairs of the UPREIT and the REIT and has been afforded the opportunity to ask questions of, and receive additional information from, the REIT regarding the business, operations, conditions (financial or otherwise) and the current prospects of the REIT and the UPREIT.

4.3. LOCK-UP PERIOD. Each of the LP Unit Recipients agrees that for the Lock-Up Period, it shall not, in any way or to any extent, redeem (pursuant to the Partnership Agreement or otherwise), sell, transfer, assign, pledge or encumber, or otherwise convey any or all of the LP Units delivered to it in connection with this transaction and, if applicable, any Conversion Shares.

4.4. TRANSFER REQUIREMENTS. After the Lock-Up Period, each LP Unit Recipient may only sell, transfer, assign, pledge or encumber, or otherwise convey any or all of the LP Units delivered to it and, if applicable, any Conversion Shares, in strict compliance with this Agreement, the Partnership Agreement, the charter documents of the REIT, the registration and other provisions of the Securities Act (and the rules promulgated thereunder), any state securities laws, the rules of the New York Stock Exchange and the Registration Rights Agreement, in each case as may be applicable. A legend may be placed on the face of the certificates evidencing the Conversion Shares to notify the holder of the restrictions on transfer under applicable federal or state securities laws. The provisions of this Section 4.4 shall survive the Closing.

4.5. VOLUME RESTRICTION. From and after the expiration of the Lock-Up Period, the aggregate amount of common stock of the REIT that the LP Unit Recipient may sell (i) during any 10-trading day period shall not exceed 30 percent (30%) of the average of the daily trading volume of such stock (as reported in The Wall Street Journal) for the thirty (30) trading days immediately preceding the date on which the first sale of such stock during any such 10-day period occurs, and (ii) during any calendar year shall not exceed one-third of the Conversion Shares issuable upon redemption of the aggregate amount of Common Units issued

(including those issued in connection with any conversion of Preferred Units) to such LP Unit Recipient at the Closing.

5. PARTNERSHIP LIABILITIES AND SALES OF REAL PROPERTY.

5.1. DISPOSITION OBLIGATIONS. Subject to this Section 5.1 and the provisions of Section 5.2 hereof, the UPREIT shall use its good faith, reasonable and diligent efforts:

5.1.1. Not to sell or otherwise voluntarily dispose of any Project in a taxable transaction on or before the expiration of the Non-Taxable Disposition Period unless such sale or other voluntary disposition (other than through a deed in lieu of foreclosure, a foreclosure action, or an act of eminent domain) of any Project (and all assets received in exchange for such Project in which the REIT or the UPREIT has an adjusted tax basis substituted from that of such Project) qualifies for non-recognition of gain under the Code (for example, by means of exchanges contemplated under Code Sections 351, 354, 355, 368, 721, 1031 (but only if there is no "boot") or 1033), in such manner as the Code provides from time to time (the "NON-RECOGNITION CODE PROVISIONS"); provided, however, that the foregoing shall not require the REIT and UPREIT, in

their sole and absolute discretion, to sell, or otherwise dispose of, or prevent the REIT and UPREIT, in their sole and absolute discretion, from selling or otherwise disposing of any Project in a transaction that would result in a loss for federal income tax purposes;

5.1.2. To maintain, on a continuous basis, an amount of indebtedness for which Contributor (including, for this purpose, the Interest Holders in Contributor or transferees of Contributor, collectively) bears, or is deemed to bear, the "economic risk of loss" within the meaning of Treasury Regulation Section 1.752-2(a) (including through the use of guarantee arrangements or arrangements providing for the imposition of a deficit restoration obligation on Contributor pursuant to an amendment to the Partnership Agreement) or which is allocated to Contributor pursuant to Treasury Regulation Section 1.752-3(a) equal to not less than $3,000,000 (the "MAXIMUM AMOUNT");

5.1.3. To avoid a distribution of property that would cause Contributor to recognize income or gain pursuant to the provisions of either or both of Code Sections 704(c)(1)(B) and 737;

5.1.4. To avoid a termination of the UPREIT pursuant to the provisions of Code Section 708(b)(1)(B); and

5.1.5. As long as Contributor remains as a partner of the UPREIT, the REIT and/or UPREIT agree to utilize the "traditional method," without curative allocations (as

contemplated for in the Partnership Agreement), of allocating gain and depreciation under Code Section 704(c) for the Projects.

The provisions of this Section 5.1 shall survive the Closing.

5.2. LIMITATION ON DISPOSITION OBLIGATIONS. Notwithstanding the provisions of Section 5.1, the obligation of the UPREIT to undertake those activities set forth in Sections 5.1.1-5.1.4 hereof shall, in all events, be subject to, and otherwise interpreted consistent with, the REIT's fiduciary and statutory obligations to all partners (both present and future) in the UPREIT, and to its stockholders, both present and future. Further, for purposes of this Section 5 and except as otherwise provided in Section 5.3, the LP Unit Recipients agree that neither the REIT nor the UPREIT shall be required to obtain any approval, consent or waiver from, or take direction from, or otherwise communicate with, any person or representative or entity concerning any Project, other than those certain persons (the "PROJECT CONTACTS") designated on SCHEDULE 5.2 attached hereto (and at the addresses set forth therein). Notification of the Project Contacts for any Project shall constitute sufficient and effective notification to all Interest Holders associated with the applicable Project, and written communications from the Project Contacts for such Project shall bind all Interest Holders associated with, related to, or having an interest in, such Project. The provisions of this Section 5.2 shall survive the Closing.

5.3. NOTICE OF CERTAIN TRANSACTIONS.

5.3.1. In the event, on or before the expiration of the Non-Taxable Disposition Period, the UPREIT expects any of the following (each, a "TAX-RELATED EVENT") to occur: (A) a post-Closing sale of any Project; (B) a reduction in the amount of indebtedness allocable to Contributor (including, for this purpose, the Interest Holders in Contributor, or transferees of Contributor, collectively) in a manner consistent with Section 5.1.2 hereof, to an amount that is less than the Maximum Amount (other than by regularly or other scheduled principal payments); or (C) an attempt by the UPREIT to effect a transfer of any Project as permitted by Section 5.1.1 above, but the terms of Section 1031 of the Internal Revenue Code of 1986, as amended (the "CODE") or the regulations promulgated thereunder have changed such that the mechanics for implementing a tax-deferred exchange of real estate are materially and adversely altered (whether with respect to the timing required to identify and close upon an exchange property or otherwise) from those mechanics in place as of the Contract Date, then the UPREIT shall give written notice of such Tax-Related Event (a "TAX-RELATED NOTICE") to the Project Contacts as soon as practicable after the occurrence of such event becomes reasonably likely, or, if later, on the date on which the UPREIT is, in the reasonable judgment of its securities counsel, legally permitted, under applicable federal and state securities laws and regulations, and the rules and regulations of the New York Stock Exchange, to disseminate such Tax-Related Notice to the Project Contacts.

5.3.2. Upon their receipt of a Tax-Related Notice, the Project Contacts shall designate a single spokesperson from among them to represent the Interest Holders in connection with the Tax-Related Event that triggered the delivery of such Tax-Related Notice (the "SPOKESPERSON"). Each LP Unit Recipient hereby irrevocably appoints any Spokesperson so designated as their attorney-in-fact, with full power to grant in the name of and on behalf of such LP Unit Recipient, any and all consents, waivers, approvals, and to execute any and all documents required or appropriate to be executed, whether with respect to this Agreement, the Partnership Agreement or otherwise; provided, however, that such attorney-in-fact may only act within the scope necessitated by the Tax-Related Event giving rise to the appointment of such Spokesperson. The UPREIT and the REIT shall be entitled to rely on the first written notice either of them receives that designates a Spokesperson with respect to a given Tax-Related Event, and shall be under no obligation to deal with any person other than the Spokesperson so designated in connection with the subject Tax-Related Event as it relates to any LP Unit Recipient. The UPREIT and the REIT shall have no obligation to deal with any person or entity whatsoever in connection with a Tax-Related Event unless and until a Spokesperson is properly designated. The UPREIT and the REIT, and their respective independent accountants, attorneys and other representatives and advisors, shall cooperate with the Spokesperson in order to consider strategies proposed by or through the Spokesperson (it being understood that neither the REIT nor the UPREIT shall have any obligation whatsoever to propose any such strategies), on behalf of any affected LP Unit Recipient, which strategies are designed or intended to defer or mitigate any recognition of gain under the Code by any LP Unit Recipient or any shareholder or partner in any LP Unit Recipient (any such gain recognition being referred to herein as an "ADVERSE TAX CONSEQUENCE") that may result from a Tax-Related Event, whether such strategies involve any or all of the LP Unit Recipients (including Contributor) on a basis independent of the REIT and UPREIT, or in conjunction with the REIT or the UPREIT. Each party shall pay its own fees and expenses incurred in connection with the procedure delineated in this Section 5.3.2. Under this Section 5.3.2, the UPREIT and the REIT are only obligated to cooperate with the Spokesperson on behalf of any LP Unit Recipient (or any partner, shareholder or member of any LP Unit Recipient) who may be facing an Adverse Tax Consequence, in connection with such LP Unit Recipient's determination of the efficacy of tax-deferral or tax-mitigation alternatives proposed by or through the Spokesperson that may involve the REIT or the UPREIT. In no event shall either the REIT or the UPREIT be required to incur any expense (other than the cost of professional fees and expenses and administrative expenses incurred in complying with this Section 5.3) in connection with its cooperation under this Section 5.3, nor shall any transaction duly approved by the Board of Directors of the REIT that results in a Tax-Related Event be required to be suspended, postponed, impeded or otherwise adversely affected by virtue of any potential Adverse Tax Consequence. The provisions of this Section 5.3 shall survive the Closing.

5.4. 721 EXCHANGE. The parties acknowledge that Contributor intends to treat the contribution and conveyance of the Contributed Interests in exchange for LP Units (the "EXCHANGE") as a tax-free partnership contribution pursuant to Section 721 of the Code. Acquiror, the UPREIT and the REIT shall cooperate in all reasonable respects with Contributor to effectuate such Exchange; provided, however, that:

5.4.1. The Closing shall not be extended or delayed by reason of such Exchange, unless Acquiror has breached its obligations to Contributor under this Agreement;

5.4.2. None of Acquiror, the UPREIT or the REIT shall be required to incur any additional extraordinary (as opposed to a normal, customary and recurring) cost or expense as a result of such Exchange, other than the cost of Acquiror's counsel in connection with the preparation of this Agreement and the other documents contemplated by this Agreement. Notwithstanding anything to the contrary in the foregoing sentence, the UPREIT and the REIT shall be responsible for costs associated with any IRS audit made directly of either or both of the UPREIT and the REIT relating to their respective operations (as opposed to an audit that is ancillary to an audit made of any or all of the entities comprising Contributor). Contributor hereby covenants and agrees that it shall, promptly on demand, reimburse Acquiror, the UPREIT or the REIT for any additional extraordinary cost or expense (as opposed to a normal, customary and recurring cost or expense, such as the analysis or computation related to the manner in which depreciation and built-in gain are allocated amongst the LP Unit Recipients), including reasonable attorneys' fees (e.g. those in excess of the cost of Acquiror's counsel in connection with the preparation of this Agreement and the other documents contemplated by this Agreement), actually incurred by any or all of Acquiror, the UPREIT and the REIT (i) as a result of the characterization of the contribution of the Projects pursuant to this Agreement as a tax-free partnership contribution pursuant to Section 721 of the Code, or

(ii) which is directly attributable to the Exchange;

5.4.3. Subject to the UPREIT's and the REIT's performance and fulfillment in all material respects of the express covenants and conditions contained in this Agreement, none of Acquiror, the UPREIT or the REIT warrant, nor shall any of them be responsible for, the federal, state or local tax consequences to Contributor, any or all of the Interest Holders and any or all of the LP Unit Recipients resulting from either (i) the transactions contemplated by this Agreement or (ii) the allocation, if any, of losses and liabilities of the UPREIT to Contributor or any of the Interest Holders in Contributor under the Partnership Agreement, the Code or Treasury Regulations promulgated under the Code; and

5.4.4. Except as otherwise expressly set forth in this Agreement and in the documents executed and delivered by Acquiror at the Closing, none of Acquiror, the

UPREIT nor the REIT shall incur any liability under any document or agreement required to be executed or delivered in connection with such Exchange.

The provisions of this Section 5.4 shall survive the Closing.

6. CLOSING. Except as otherwise provided in this Agreement, the closing of the transaction contemplated by this Agreement (the "CLOSING") shall take place on the date (the "CLOSING DATE") mutually agreed upon by the parties, provided that the Closing Date shall occur no sooner than fifteen (15) days after the Contract Date and no later than thrity (30) days after the Contract Date. The Closing shall take place at the offices of Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103, at such other place as may be mutually agreed upon by the parties, or in escrow at the offices of the Title Company if mutually agreed upon by the parties.

7. CONTRIBUTOR'S DELIVERIES. Contributor shall cause each Project's managing agent to make available to Acquiror, from and after the Contract Date, at reasonable times and upon reasonable notice, all documents, contracts, information, Records and exhibits that are in the possession of, or under the control of, Contributor that are pertinent to the transaction that is the subject of this Agreement, including without limitation the documents listed as "Contributor's Deliveries" on EXHIBIT D attached hereto.

8. PROJECT INSPECTION.

8.1. BASIC PROJECT INSPECTION. From and after the Contract Date, at reasonable times and upon reasonable notice (subject to the Leases and the rights of the Tenants), Acquiror, its agents and representatives shall be entitled to conduct inspections of any Project, which will include the rights to: (i) enter upon the Land and Improvements to perform inspections and tests of any Project, including inspection, evaluation and testing of the heating, ventilation and air-conditioning systems and all components thereof, all structural and mechanical systems within the Improvements, including sprinkler systems, power lines and panels, air lines and compressors, automatic doors, tanks, pumps, plumbing and all equipment, vehicles, and Personal Property; (ii) examine and copy any and all Records; (iii) make investigations with regard to zoning, environmental (including an environmental assessment as specified in Section 8.2, which includes, but is not limited to, an analysis of the presence of any asbestos, chlordane, formaldehyde or other Hazardous Substance in, under or upon any Project, or any underground storage tanks on, or under, the Land), building, code, regulatory and other legal or governmental requirements; and (iv) make or obtain market studies and real estate tax analyses. Without limitation of the foregoing, Acquiror or its designated independent or other accountants may audit the Financial Statements (as defined in EXHIBIT D attached hereto), and

Contributor shall supply such documentation as Acquiror or its accountants may reasonably request in order to complete such audit.

8.2. ENVIRONMENTAL ASSESSMENT. From and after the Contract Date, at reasonable times and upon reasonable notice (subject to the Leases and the rights of the Tenants), Acquiror or Acquiror's agent(s) shall have the right to employ one or more environmental consultants or other professional(s) to perform or complete such environmental inspections and assessments of any

Project as Acquiror deems necessary or desirable; provided, however, that Acquiror shall not perform a "Phase II" environmental assessment or undertake any other invasive physical tests at any Project without first obtaining Contributor's approval to do so, which approval shall not be unreasonably withheld or delayed; and provided further that prior to any such entry onto any Project, Acquiror and its agent(s) shall furnish to Contributor certificates of insurance for such coverage and in such amounts and with such carriers as shall be reasonably acceptable to Contributor. Acquiror and its consultants shall also have the right to undertake or complete a technical review of all documentation, reports, plans, studies and information in possession or control of Contributor, or its past or present environmental consultants, concerning or in any way related to the environmental condition of any Project. In order to facilitate the assessments and technical review, at reasonable times and upon reasonable notice (subject to the Leases and the rights of the Tenants), Contributor shall extend its reasonable cooperation (but without third party expense to Contributor) to Acquiror and its environmental consultants, including providing access to all files and fully and completely answering all questions (to the best of its knowledge).

8.3. ACQUIROR'S UNDERTAKING. Acquiror hereby covenants and agrees that it shall cause all studies, investigations and inspections performed at any Project pursuant to this Section 8 to be performed in a manner that does not materially or unreasonably disturb or disrupt the tenancies at or business operations of any Project. In the event that, as a result of Acquiror's exercise of its rights under Sections 8.1 and 8.2, physical damage occurs to any Project, then Acquiror shall promptly repair such damage, at Acquiror's sole cost and expense, so as to return the applicable Project to substantially the same condition as exists on the Contract Date. Acquiror hereby indemnifies, protects, defends and holds Contributor harmless from and against any and all losses, damages, claims, causes of action, judgments, damages, costs and expenses that Contributor actually suffers or incurs as a direct result of any physical damage caused to, in, or at any Project during the course of, or as a result of, any or all of the studies, investigations and inspections that Acquiror elects to perform (or causes to be performed) pursuant to this Section 8.

8.4. CONFIDENTIALITY. Each party agrees to maintain in confidence, and not to disclose to any Tenant or its employees, the information contained in this Agreement or pertaining to the transaction contemplated hereby and the information and data furnished or

made available by Contributor to Acquiror, its agents and representatives in connection with Acquiror's investigation of any Project and the transactions contemplated by this Agreement; provided, however, that each party, its agents and representatives may disclose such information and data (i) to such party's accountants, attorneys, existing or prospective lenders, investment bankers, accountants, underwriters, ratings agencies, partners, shareholders, consultants and other advisors in connection with the transactions contemplated by this Agreement to the extent that such representatives reasonably need to know (in the disclosing party's reasonable discretion) such information and data in order to assist, and perform services on behalf of, the disclosing party; (ii) to the extent required by or appropriate under any applicable statute, law, regulation or Governmental Authority (including the requirement to prepare and file Form 8-K and other reports and filings required by the SEC and other regulatory entities, as described in EXHIBIT E attached hereto) or by the New York Stock Exchange in connection with the listing of the Conversion Shares; (iii) in connection with any litigation that may arise between the parties in connection with the transactions contemplated by this Agreement or otherwise relating to any Project or any of them; (iv) to the extent such disclosure is required or appropriate in connection with any securities offering or other capital markets or financing transaction undertaken by the REIT; (v) to the extent such information and data become generally available to the public other than as a result of disclosure by the disclosing party or its agents or representatives; (vi) to the extent such information and data become available to the disclosing party or its agents or representatives from a third party who, insofar as is known to the disclosing party, is not subject to a confidentiality obligation to the other party hereunder; and (vii) to the extent necessary in order to comply with each party's respective covenants, agreements and obligations under this Agreement. In the event the transactions contemplated by this Agreement shall not be consummated, such confidentiality shall be maintained indefinitely. Furthermore, Contributor and Acquiror acknowledge that, notwithstanding any contrary term of this Section 8.4, Acquiror shall have the right to issue a press release upon the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and Contributor shall have the right to disclose this Agreement to Contributor's parent, who may disclose it to its shareholders.

9. TITLE AND SURVEY MATTERS

9.1. TITLE. At the Closing, each Owner's title to the Projects

shall be free and clear of any mortgage liens, judgments and security interests, except the Assumed Indebtedness if Acquiror elects to assume the same ("PROHIBITED EXCEPTIONS"). Acquiror acknowledges and agrees, however, that Acquiror has agreed to accept the Contributed Interests and title to the Projects subject to any and all covenants, restrictions, easements, rights of way, Leases and other encumbrances and all encroachments and boundary disputes, if there be any, excepting only Prohibited Exceptions, as aforesaid (all such permitted title exceptions shall be the "PERMITTED EXCEPTIONS"). Acquiror shall promptly cause Title Company to issue and deliver to Contributor a title insurance report ("TITLE REPORT") for each of the Projects. If the Title Report contains

any Prohibited Exceptions, Contributor agrees to take the necessary steps to remove such matters from record title to the Projects. In the event Contributor fails to remove any or all of the Prohibited Exceptions prior to Closing, Acquiror shall have the rights contained in Section 9.4. Any expenses incurred in obtaining the Title Report (including, without limitation, expenses incurred by an attorney in conducting the necessary title search) shall solely be borne by Acquiror. The title insurance premium for the title policy (inclusive of Acquiror's requested endorsements) shall also be solely borne by Acquiror.

9.2. Notwithstanding anything to the contrary that may be stated herein, excluding mortgage liens, judgments, security interests or other encumbrances that were intended to be discharged of record upon Contributor's acquisition, no mortgage lien, judgment, security interest or other encumbrance in existence immediately preceding Contributor's acquisition of the Contributed Interests, shall constitute a "Prohibited Encumbrance".

9.3. INTENTIONALLY OMITTED.

9.4. FAILURE REGARDING TITLE. In the event that as of Closing, title to the Projects shall be other than in accordance with the provisions of this Agreement, then Acquiror shall have the option, exercisable by written notice to Contributor at or prior to Closing, of (1) accepting at Closing such title as Contributor is able to convey and waiving any unsatisfied condition precedent, with no deduction from or adjustment of the Purchase Price, except to the extent of liens of a fixed or ascertainable amount not exceeding the Cash Component, unless the lien was created voluntarily by Contributor, or (2) declining to proceed to Closing. In the latter event, except as expressly set forth herein, all obligations, liabilities and rights of the parties under this Agreement shall terminate.

10. REPRESENTATIONS AND WARRANTIES AS TO THE CONTRIBUTED INTERESTS AND THE REAL PROPERTY. Except (a) as otherwise set forth in the written schedules attached to this Agreement (the "SCHEDULES") which set forth the exceptions to the representations and warranties contained in this Section 10 and certain other information called for by this Agreement (unless otherwise specified, (i) each reference in this Agreement to any numbered schedule is a reference to that numbered schedule which is included in the Schedules and (ii) no disclosure made in any particular numbered schedule of the Schedules shall be deemed made in any other numbered schedule of the Schedules unless expressly made therein (by cross-reference or otherwise)), and (b) as disclosed in any document delivered to Acquiror by Contributor or by any other information discovered by or known to Acquiror or disclosed in writing to Acquiror by Contributor prior to the Closing, Contributor, for itself and each of the Owners, represents and warrants to Acquiror that the following matters are true and correct as of the Contract Date and shall be true and correct as of the Closing Date:

10.1. CONTRIBUTOR'S AUTHORITY. Contributor is a corporation duly organized and validly existing and in good standing under the laws of the State of New York and has all requisite power and authority to enter into this Agreement and perform its obligations hereunder and to carry on its business as now conducted and to control the ownership, leasing and operation of the Projects.

10.2. OWNER'S AUTHORITY. Each Owner is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Maryland and has all requisite power and authority to carry on its business as now conducted and to own, lease and operate its properties and assets now owned or leased or operated by it. To the best of Contributor's actual knowledge, no

Project is encumbered by any mortgages, collateral or conditional assignments, pledges, hypothecations, security interests and other encumbrances (except for the Assumed Indebtedness), and each Owner holds good and marketable title to its Project.

10.3. OWNERSHIP. Contributor holds one hundred percent (100%) of the membership interests in each of the Owners, free and clear of all mortgages, collateral or conditional assignments, pledges, hypothecations, security interests and other encumbrances (except for the Assumed Indebtedness). Each Owner, in turn, holds fee simple title to its Project, free and clear of any Prohibited Exceptions.

10.4. NO CONFLICT. To the best of Contributor's actual knowledge, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of Contributor do not and will not conflict with or result in the breach of any material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon, any of the Contributed Interests or other assets of Contributor or upon the Projects by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Contributor or any Owner is a party or which is or purports to be binding upon Contributor or any Owner or which otherwise affects Contributor or any Owner, which will not be discharged, assumed or released at Closing.

10.5. NO CONDEMNATION. To the best of Contributor's actual knowledge, no Owner has received any written notice of any pending or contemplated condemnation, eminent domain or similar proceeding with respect to all or any portion of its Project.

10.6. COMPLIANCE. Except as set forth in SCHEDULE 10.6, to the best of Contributor's actual knowledge, no Owner has received written notice of any existing violations

of any federal, state, county or municipal laws, ordinances, orders, codes, regulations, or requirements affecting its Project which have not been cured.

10.7. LITIGATION. Except as set forth in SCHEDULE 10.7, to the best of Contributor's actual knowledge, there is no material action, suit or proceeding pending or threatened against the Projects, or arising out of the ownership, management or operation of the Projects, this Agreement or the transactions contemplated hereby.

10.8. FIRPTA. Contributor is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code.

10.9. LEASES. There are no leases or occupancy agreements currently in effect which affect the Projects other than the Leases listed on the Rent Roll (as defined on EXHIBIT D), and to the best of Contributor's actual knowledge, Contributor has paid in full all expenses connected with the negotiation, execution and delivery of the Leases which are due and owing as of the Agreement Date, including without limitation brokers' commissions, leasing fees and recording fees (but excluding (i) any such commissions or fees, if any, attributable to the term of the relevant Lease from and after the date of Closing, (ii) any such commissions or fees, if any, attributable to extension, renewal or expansion options executed after the date of Closing and (iii) any tenant improvement allowance or credit which is not yet due and payable). No Owner has received from any of its Tenants any written notices alleging any breach or default by such Owner, as landlord, which remain uncured as of the Contract Date, and no Owner has delivered to any of its Tenants written notices alleging any breach or default by such Tenants which remain uncured as of the Contract Date, except as set forth in SCHEDULE 10.9.

10.10. CONTRACTS. There are no construction, management, leasing, service, equipment, supply, maintenance or concession agreements in effect with respect to the Projects other than those Contracts (as defined in EXHIBIT D) set forth on SCHEDULE 10.10. No Owner has received from any contracting parties under the Contracts any written notices alleging any breach or default by such Owner which remain uncured as of the Contract Date, and no Owner has delivered to such contracting parties written notices alleging any breach or default by such contracting parties which remain uncured as of the Contract Date, except as set forth in SCHEDULE 10.10.

10.11. WARRANTIES. There are no guaranties or warranties relating to the design or construction of the Improvements or the installation, use or repair of any Personal Property other than those Warranties set forth in SCHEDULE 10.11.

10.12. ENVIRONMENTAL MATTERS. To the best of Contributor's actual knowledge, except as set forth in SCHEDULE 10.12:

(a) There has not been placed or located on any of the Projects by Contributor or any Owner, and there will not be placed or located on any of the Projects prior to Closing by Contributor or any Owner, any Hazardous Substance (as used herein, "HAZARDOUS SUBSTANCE" means any substance deemed hazardous, toxic or dangerous, or other substance required to be disclosed, reported, treated, removed, disposed of or cleaned-up by any applicable federal, state or local law, ordinance, code or regulation in effect on the date hereof, and includes, without limitation, lead paint, polychlorinated biphenyls, petroleum-based products and asbestos); and

(b) There has not been manufactured, stored or deposited by Contributor or any Owner on any of the Projects, any Hazardous Substance, and neither Contributor nor any Owner has received written notice of any proceeding or inquiry by any governmental authority with respect to the possible presence of any Hazardous Substance on any of the Projects, including the migration of any Hazardous Substances onto any of the Projects.

10.13. EXISTING LOAN DOCUMENTS. SCHEDULE 10.13 attached hereto sets forth a true, correct and complete listing of all of the promissory notes, mortgages and other loan documents evidencing or securing the Assumed Indebtedness (the "EXISTING LOAN DOCUMENTS"), and Contributor has delivered true, correct and complete copies of the Existing Loan Documents to Acquiror prior to the date hereof as part of Contributor's Deliveries. Contributor has complied with (and, prior to the Closing, shall continue to comply with) the terms of, and all notices or correspondence received from the holder of the Existing Loan Documents. Contributor has paid (and, at all times prior to the Closing, shall pay) all sums due under the Existing Loan Documents. The Existing Loan Documents are in full force and effect. Contributor is not in default under the Existing Loan Documents beyond any applicable notice, grace or cure period, and there has not occurred any event which, with the giving of notice and/or the passage of time, or both, would constitute a default by Contributor thereunder. The outstanding principal amount of the Assumed Indebtedness is accurately set forth on SCHEDULE 10.13. Following Acquiror's assumption thereof, Acquiror will be entitled to prepay the Assumed Indebtedness by the payment of the outstanding principal amount and the accrued interest as of the date of prepayment without premium or penalty, or any fees and expenses due to the holder or servicer of the Assumed Indebtedness.

10.14. Notwithstanding anything to the contrary that may be stated herein, Acquiror may not invoke as a failure of a condition precedent to Acquiror's obligation to close hereunder, the inaccuracy of a representation or warranty of Contributor if the inaccuracy derives directly from a specific fact or circumstance actually known to Acquiror prior to the date hereof which was in existence on or prior to the date Contributor acquired the Contributed Assets.

11. REPRESENTATIONS AS TO SECURITIES AND RELATED MATTERS.

11.1. CONTRIBUTOR AND LP UNIT RECIPIENTS. Contributor represents and warrants to Acquiror that the following matters are true and correct as of the Contract Date and shall be true and correct as of the Closing Date; and each LP Unit Recipient represents and warrants (but only as to itself) to Acquiror that the matters set forth in Sections 11.1.1 and 11.1.4 are true and correct as of the Contract Date and shall be true and correct as of the Closing Date and covenant as follows:

11.1.1. Intentionally Omitted.

11.1.2. Intentionally Omitted.

11.1.3. Intentionally Omitted.

11.1.4. Each LP Unit Recipient represents that its LP Units are being acquired by it with the present intention of holding such LP Units for purposes of investment, and not with a view towards sale or any other distribution. Each LP Unit Recipient recognizes that it may be required to bear the economic risk of an investment in the LP Units for an indefinite period of time. Contributor and each LP Unit Recipient is an Accredited Investor. Contributor and each LP Unit Recipient has such knowledge and experience in financial and business matters so as to be fully capable of evaluating the merits and risks of an investment in the LP Units. No LP Units will be issued, delivered or distributed to any person or entity who is other than an Accredited Investor with respect to whom there has been delivered to Acquiror satisfactory

Investor Materials confirming the status of such person or entity as an Accredited Investor. Each LP Unit Recipient has been furnished with the informational materials described in Section 4.2 above (collectively, the "INFORMATIONAL MATERIALS"), and has read and reviewed the Informational Materials and understands the contents thereof. The LP Unit Recipients have been afforded the opportunity to ask questions of those persons they consider appropriate and to obtain any additional information they desire in respect of the LP Units and the business, operations, conditions (financial and otherwise) and current prospects of the UPREIT and the REIT. The LP Unit Recipients have consulted their own financial, legal and tax advisors with respect to the economic, legal and tax consequences of delivery of the LP Units and have not relied on the Informational Materials, Acquiror, the UPREIT, the REIT or any of their officers, directors, affiliates or professional advisors for such advice as to such consequences. Each of Contributor and its Interest Holders is an Accredited Investor under Regulation D promulgated under the Securities Act of 1933, as amended. No Contributor or LP Unit Recipient requires the consent of any Interest Holder in order to consummate the transactions contemplated by this Agreement, including to amend any partnership agreement, operating agreement, charter or other governing document of Contributor or any LP Unit Recipient. SCHEDULE 11.1.4 accurately

sets forth (a) the direct ownership interest of Contributor and each LP Unit Recipient, and (b) the residence or, in the case of non-individual LP Unit Recipient or Contributor, state in which it was formed.

11.2. ACQUIROR. Acquiror represents and warrants to Contributor that the following matters are true and correct as of the Contract Date and shall be true and correct as of the Closing Date:

11.2.1. The UPREIT is a limited partnership duly authorized and validly existing under Delaware law. The performance of this Agreement by the UPREIT has been duly authorized by the REIT in accordance with the Partnership Agreement, and, upon the assignment of this Agreement to the UPREIT, this Agreement will be binding on the UPREIT and enforceable against it in accordance with its terms. The UPREIT has been at all times, and presently intends to continue to be, classified as a partnership or a publicly traded partnership taxable as a partnership for federal income tax purposes and not an association taxable as a corporation or a publicly traded partnership taxable as a corporation.

11.2.2. Acquiror is a corporation duly authorized and validly existing under Delaware law. The execution and delivery of this Agreement by Acquiror, and the performance of this Agreement by Acquiror, has been duly authorized by Acquiror, and this Agreement is binding on Acquiror and enforceable against it in accordance with its terms. No consent of any creditor, investor, partner, shareholder, judicial or administrative body, Governmental Authority, or other governmental body or agency, or other party to such execution, delivery and performance by Acquiror is required. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in a breach of, default under, or acceleration of, any agreement to which Acquiror is a party or by which Acquiror is bound; or (ii) violate any restriction, court order, agreement or other legal obligation to which Acquiror is subject.

11.2.3. The REIT is a real estate investment trust duly authorized and validly existing under Maryland law. The performance of this Agreement by the REIT, as general partner of the UPREIT, has been duly authorized by the REIT, and this Agreement is binding on the REIT, as general partner of the UPREIT, and enforceable against it, as general partner of the UPREIT, in accordance with its terms.

11.2.4. LITIGATION. To the best of Acquiror's actual knowledge, there is no material action, suit or proceeding pending or threatened against Acquiror, the UPREIT or the REIT which is expected to have a material adverse affect on Acquiror, the UPREIT or the REIT, or impair the ability of Acquiror to complete the transactions contemplated hereby.

12. COVENANTS OF CONTRIBUTOR. Effective from the execution of this Agreement until the Closing or termination of this Agreement, Contributor, for itself and each Owner, hereby covenants with Acquiror as follows:

12.1. LEASES. No Owner shall amend in any material respect or terminate any Lease, nor shall any Owner execute any new lease, license, or other

agreement affecting the ownership or operation of all or any portion of any Project or for personal property, equipment, or vehicles, without in each case Acquiror's prior written approval, which approval shall not be unreasonably withheld or delayed.

12.2. NEW CONTRACTS. No Owner shall enter into any contract with respect to the ownership and operation of all or any portion of any Project that will survive the Closing, or that would otherwise affect the use, operation or enjoyment of the applicable Project, without Acquiror's prior written approval, which approval may granted or denied in Acquiror's reasonable discretion, except for service contracts entered into in the ordinary course of business that are terminable, without charge or penalty, on not more than 30 days' notice, for which no approval shall be required.

12.3. OPERATION OF PROJECT. Each Owner shall operate and manage its Project in the same manner as presently operated and managed, maintaining present services (including pest control), and shall maintain the Project in its present repair and order, normal wear and tear excepted; shall keep on hand sufficient materials, supplies, equipment and other Personal Property for the efficient operation and management of the Project in its present manner; and shall perform, when due, all of its obligations under the Existing Loan Documents, Leases, Contracts, Governmental Approvals (as defined on EXHIBIT D) and other agreements relating to the Project and otherwise in accordance with applicable laws, ordinances, rules and regulations affecting the Project. None of the Personal Property, fixtures or Inventory shall be removed from any Project, unless replaced by personal property, fixtures or inventory of equal or greater utility and value.

12.4. PRE-CLOSING EXPENSES. Each Owner has paid or will pay or cause to be paid in full, prior to the Closing, all bills and invoices received prior to the Closing Date for labor, goods, material and services of any kind relating to its Project and utility charges for the period prior to the Closing. Contributor shall pay to Acquiror promptly upon demand all bills and invoices received after the Closing Date for labor, goods, material and services of any kind relating to any Project and utility charges for the period prior to the Closing. Except as disclosed in SCHEDULE 12.4, any alterations, installations, decorations and other work required to be performed on or prior to the Closing under any and all agreements affecting any Project have been or will, by the Closing, be completed and paid for in full.

12.5. GOOD FAITH. All actions required pursuant to this Agreement that are necessary to effectuate the transaction contemplated herein will be taken promptly and in good faith by Contributor, each Owner and Acquiror, and each party shall furnish the other with such documents or further assurances as the requesting party may reasonably require.

12.6. NO ASSIGNMENT. After the Contract Date and prior to the Closing, neither Contributor nor any Owner shall assign, alienate, lien, encumber or otherwise transfer all or any part of its Project or any interest therein.

12.7. AVAILABILITY OF RECORDS, AUDIT REPRESENTATION LETTER.

12.7.1. If the Closing Date occurs after March 31, 2000, then upon Acquiror's reasonable request, for a period of two years after the Closing, Contributor shall (i) make the Records available to Acquiror for inspection, copying and audit by Acquiror's designated accountants; and (ii) cooperate with Acquiror (without any third party expense to Contributor) in obtaining any and all permits, licenses, authorizations, and other Governmental Approvals necessary for the operation of the Project. Without limitation of the foregoing in this Section 12.7, if the Closing Date occurs after March 31, 2000, then Contributor agrees to abide by the terms of EXHIBIT E attached hereto. If the Closing Date occurs after March 31, 2000, then at any time before or within two years after the Closing, Contributor further agrees to provide to the Acquiror's designated independent auditor, upon the reasonable request of Acquiror or such auditor, (x) access (to the same extent to which Acquiror would be entitled to such access) to the books and records of the Projects and all related information (including the information listed on EXHIBIT E) regarding the period for which Acquiror is required to have the Projects audited under the regulations of the SEC, and (y) a representation letter delivered by Contributor regarding the books and records of the Project, in substantially the form as attached hereto as EXHIBIT F.

12.7.2. In addition, if the Closing Date occurs after March 31, 2000, then during such two year period Contributor shall provide, and cooperate in all reasonable respects in providing, Acquiror with copies of, or access to, such factual information as may be reasonably requested by Acquiror, and in the possession or control of Contributor, to enable the REIT to issue one or more press releases concerning the transaction that is the subject of this Agreement, to file a Current Report on Form 8-K (as specified on EXHIBIT E attached

hereto), if, as and when such filing may be required by the SEC and to make any other filings that may be required by any Governmental Authority. The obligation of Contributor to cooperate in providing Acquiror with such information for Acquiror to file its Current Report on Form 8-K shall survive the Closing.

12.8. CHANGE IN CONDITIONS. Contributor shall promptly notify Acquiror of any change in any condition with respect to any Project or of the occurrence of any event or circumstance that makes any representation or warranty of Contributor to Acquiror under this Agreement untrue or misleading, or any covenant of Acquiror under this Agreement incapable or less likely of being performed, it being understood that Contributor's obligation to provide notice to Acquiror under this Section 12.8 shall in no way relieve Contributor of any liability for a breach by Contributor of any of its representations, warranties or covenants under this Agreement.

12.9. CORPORATE STRUCTURE. From the Contract Date through and including the Closing Date, Contributor shall maintain the same composition of its direct shareholders as exists on the Contract Date, unless otherwise expressly provided in this Agreement or consented to by Acquiror in writing.

12.10. CURE OF VIOLATIONS. On or before the Closing Date, Contributor shall cure (or escrow sufficient funds at the Closing with the Title Company to cure) all violation(s) of law, code, ordinance or regulation that arise and are the subject of any written notice issued by a Governmental Authority with respect to any Project during the period of Contributor's ownership of the Contributed Interests.

13. INTENTIONALLY OMITTED

14. ADDITIONAL CONDITIONS PRECEDENT TO CLOSING.

14.1. ACQUIROR'S ADDITIONAL CONDITIONS PRECEDENT. In addition to the other conditions enumerated in this Agreement, the following shall be conditions precedent to Acquiror's obligation to close hereunder:

14.1.1. PHYSICAL CONDITION. The physical condition of Project shall be substantially the same on the Closing Date as on the Contract Date, reasonable wear and tear excepted, unless the alteration of said physical condition is the result of Damage. Without limiting the generality of the foregoing, the parties acknowledge and agree that the failure by Contributor to cure any violation described in Section 12.10 shall be a failure of this condition precedent.

14.1.2. PENDING ACTIONS. At the Closing, there shall be no administrative agency, litigation or governmental proceeding of any kind whatsoever, pending or threatened with respect to the Project, (i) that, after the Closing, would, in Acquiror's reasonable discretion, materially and adversely affect the value or marketability of the Project or the ability

of Acquiror to operate the Project in the manner it is being operated on the Contract Date, or (ii) for the purpose of enjoining or preventing, or which questions the validity or legality of, the transactions contemplated hereby.

14.1.3. ASSUMED INDEBTEDNESS. Contributor shall provide to Acquiror a letter from the holder of the Existing Loan Documents that relates to Assumed Indebtedness (if Acquiror elects to assume the same in accordance with Section 3.1) dated no earlier than ten (10) days prior to the Closing Date, (i) approving the transfer of the applicable Contributed Interests to the UPREIT subject to the Assumed Indebtedness, (ii) setting forth the amount of principal and interest outstanding on the Closing Date and confirming either (a) that there are no other amounts due thereunder, or (b) if any other amounts are due, stating the amount and nature thereof (which amounts shall in any event be paid by Contributor), and (iii) confirming, to the knowledge of such holders, the absence of any defaults under the Existing Loan Documents. Such letter shall be referred to as the "LENDER'S APPROVALS."

14.1.4. OWNERS. The direct shareholders of Contributor on the Closing Date shall be the same as on the Contract Date.

14.1.5. BANKRUPTCY. As of the Closing Date, neither Contributor, any Owner, nor any Project shall be the subject of any bankruptcy proceeding for which approval of this transaction has not been given and issued

by the applicable bankruptcy court.

14.1.6. REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of Contributor contained in this Agreement that are qualified by materiality shall be true and correct as of the Closing Date, and the other representations and warranties of Contributor contained in this Agreement shall be true and correct as of the Closing Date in all material respects; provided, however, that if any representation or warranty contained at Sections 10.5, 10.6, 10.7, 10.9, 10.10, 10.11, 10.12 hereof is not true and correct as of the Closing Date, then such failure or inaccuracy in the representaion or warranty derives from a matter knowingly created or suffered by Contributor.

14.1.7. COVENANTS PERFORMED. All covenants of Contributor required to be performed on or prior to the Closing Date shall have been performed in all material respects.

14.2. CONTRIBUTOR'S ADDITIONAL CONDITIONS PRECEDENT. In addition to the other conditions ecumerated in this Agreement, including the condition set forth in Section 2.1, the following shall be conditions precedent to Contributor's obligation to close hereunder:

14.2.1. REPRESENTATIONS AND WARRANTIES. The representations and warranties of Acquiror contained in this Agreement that are qualified by materiality shall be true and correct as of the Closing Date, and the other representations and warranties of Contributor contained in this Agreement shall be true and correct as of the Closing Date in all material respects.

14.2.2. COVENANTS. All material covenants of Acquiror required to be performed on or prior to the Closing Date shall have been performed.

14.2.3. PENDING ACTIONS. At the Closing, there shall be no administrative agency, litigation or governmental proceeding of any kind whatsoever, pending or threatened, for the purpose of enjoining or preventing, or which questions the validity or legality of, the transactions contemplated hereby.

14.2.4. BANKRUPTCY. As of the Closing Date, neither Acquiror, the REIT nor the UPREIT shall be the subject of any bankruptcy proceeding for which approval of this transaction has not been given and issued by the applicable bankruptcy court.

14.2.5. NO MATERIAL ADVERSE CHANGE. There shall have occurred no material adverse change in the business, operations, condition (financial or otherwise), properties or assets of the REIT or the UPREIT since the Contract Date.

15. INTENTIONALLY OMITTED.

16. CLOSING DELIVERIES.

16.1. CONTRIBUTOR'S DELIVERIES. At the Closing (or such other times as may be specified below), Contributor shall deliver or cause to be delivered to Acquiror the following, each in form and substance reasonably acceptable to Contributor and Acquiror and their respective counsel:

16.1.1. ASSIGNMENT OF CONTRIBUTED INTERESTS. An assignment by Contributor of the Contributed Interest and its certificate of its withdrawal from Deereco, Atrium and Brown's Wharf.

16.1.2. RELEASE. A release from Contributor releasing each Owner and the UPREIT from any obligations and liabilities with respect to any matter arising from business done, transactions entered into or events occurring prior to the Closing Date.

16.1.3. LENDER'S APPROVALS. The Lender's Approvals from the holders of all of the Assumed Indebtedness in conformity with SECTION 14.1.3.

16.1.4. KEYS. Keys to all locks located at the Project (to the extent in Contributor's possession or control);

16.1.5. AFFIDAVIT OF TITLE AND ALTA STATEMENT. As to each Project, an Affidavit of Title (or comparable document) limited solely to status of parties in possession, absence of outstanding contracts of sale and mechanics' and/or materialman liens and such additional affidavits as the Title Company shall reasonably require in order to issue an owner's policy of title insurance (or any appropriate endorsement, including without limitation "nonimputation" and "same as survey" endorsements (if available), to any Owner's existing policy of title insurance, if any, insuring the Owner's title as of the Closing Date and in the amount of the applicable portion of the Asset Value) free of any Prohibited Exceptions;

16.1.6. LETTER TO TENANTS. A letter executed by the applicable Owner and, if applicable, its management agent, addressed to each Tenant, in form reasonably acceptable to Acquiror, notifying each Tenant of the transfer of its Project and directing payment of all rents accruing after the Closing Date to be made to Acquiror or at its direction;

16.1.7. INTENTIONALLY OMITTED.

16.1.8. ORIGINAL DOCUMENTS. To the extent not previously delivered to Acquiror, originals of the Leases, Assigned Contracts and Governmental Approvals that are in Contributor's possession or control (or, if the originals have been lost or destroyed, copies that are in Contributor's possession or control certified by Contributor as true, correct and complete);

16.1.9. CLOSING STATEMENT. A closing statement conforming to the proration and other relevant provisions of this Agreement (the "CLOSING STATEMENT") duly executed by Contributor;

16.1.10. PLANS AND SPECIFICATIONS. All plans and specifications relating to the Project in Contributor's possession or control;

16.1.11. TAX BILLS. Copies of the most currently available Tax Bills to the extent not previously delivered to Acquiror;

16.1.12. ENTITY TRANSFER CERTIFICATE. Entity transfer certifications confirming that Contributor is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended;

16.1.13. RENT ROLL. An updated Rent Roll, prepared as of the Closing Date, certified by Contributor to be true, complete and correct through the Closing Date;

16.1.14. PARTNERSHIP DELIVERIES; WARRANT AGREEMENT. The documents that are referred to in the Partnership Agreement (as amended) in connection with the admission of an additional limited partner (including the Amendment) and the warrant agreement contemplated by Section 3.6 above, each of such documents to be duly executed by Contributor or other person or entity receiving LP Units hereunder;

16.1.15. LP UNITS SCHEDULE. The LP Units Schedule set forth on SCHEDULE 4.1.2, duly executed by Contributor;

16.1.16. CLOSING CERTIFICATE. A certificate, signed by Contributor and the LP Unit Recipients, certifying to the UPREIT that (a) the representations and warranties of Contributor contained in this Agreement that are qualified by materiality are true and correct as of the Closing Date and the other representations and warranties of Contributor contained in this Agreement are true and correct as of the Closing Date in all material respects, and (b) all material covenants required to be performed by Contributor prior to the Closing Date have been performed;

16.1.17. OTHER. Such other documents and instruments as may reasonably be required by Acquiror (including those of Contributor's Deliveries in Contributor's possession or control that have not previously been delivered to Acquiror), its (or its underwriters' or lenders') counsel or the Title Company and that may be necessary to consummate the transactions that are the subject of this Agreement and to otherwise give effect to the agreements of the parties hereto. After the Closing, Contributor shall, without cost to Contributor, execute and deliver to Acquiror such further documents and instruments as Acquiror shall reasonably request to effect these transactions and otherwise effect the agreements of the parties hereto.

16.2. ACQUIROR'S DELIVERIES. Unless previously delivered to Contributor, at the Closing (or such other times as may be specified below), Acquiror shall cause to be delivered to Contributor the following, each in form and substance reasonably acceptable to Contributor and Acquiror and their respective counsel:

16.2.1. REGISTRATION CONFIRMATION. A certificate from the UPREIT certifying as to the registration of the LP Units in the books and records of the UPREIT and the ownership by Contributor of such LP Units, together with a copy of such books and records showing such ownership;

16.2.2. PARTNERSHIP AGREEMENT. A copy of the Partnership Agreement, duly certified by the secretary of the REIT as true, complete and correct;

16.2.3. AMENDMENT; WARRANT AGREEMENT. The Amendment and the warrant agreement contemplated by Section 3.6 above, duly executed by the REIT;

16.2.4. ORGANIZATIONAL DOCUMENTS. A copy certified by the Secretary of State of the State of Delaware and Maryland, respectively, of the Articles of Incorporation of Acquiror and the REIT and a good standing certificate for Acquiror and the REIT; (ii) a copy certified by the Secretary of State of the State of Delaware of the certificate of limited partnership of the UPREIT and a good standing certificate for the UPREIT; and (iii) a copy, certified by the secretary of the REIT, of the resolutions of the REIT's board of trustees, authorizing the transactions described herein;

16.2.5. CLOSING STATEMENT. The Closing Statement, duly executed by the UPREIT;

16.2.6. REGISTRATION RIGHTS CONFIRMATION. An acknowledgment by the REIT that Contributor is entitled to the benefits of the Registration Rights Agreement as a result of its admission as a limited partner in the UPREIT;

16.2.7. ASSIGNMENT. The assignment by Acquiror of its rights and obligations hereunder to the UPREIT;

16.2.8. LP UNITS SCHEDULE. The LP Units Schedule set forth on SCHEDULE 4.1.2, duly executed by the UPREIT;

16.2.9. TENANTS LETTER. A letter to Tenants described in Section 16.1.6 above, duly executed by the UPREIT; and

16.2.10. CLOSING CERTIFICATE. A certificate, signed by Acquiror, certifying to the Contributor that (a) the representations and warranties of Acquiror contained in this Agreement that are qualified by materiality are true and correct as of the Closing Date and the other representations and warranties of Acquiror contained in this Agreement are true and correct as of the Closing Date in all material respects, and (b) all material covenants required to be performed by Acquiror prior to the Closing Date have been performed;

16.2.11. OTHER. Such other documents and instruments as may reasonably be required by Contributor, the LP Unit Recipient or its or their respective counsel or the Title Company and that are necessary to consummate the transactions which are the subject

of this Agreement and to otherwise effect the agreements of the parties hereto. After Closing, the UPREIT shall, without cost to the UPREIT, execute and deliver to Contributor such further documents and instruments as Contributor shall reasonably request to effect these transactions and otherwise effect the agreements of the parties hereto.

16.2.12. RELEASE. A release from the UPREIT releasing each Owner and Contributor from any obligations and liabilities with respect to any matter arising from business done, transactions entered into or events occurring after the Closing Date.

17. PRORATIONS AND ADJUSTMENTS. The following shall be prorated and adjusted between Contributor and Acquiror as of the Closing Date, except as otherwise specified:

Except to the extent otherwise expressly provided in this Agreement, with respect to apportionments hereunder for the Deereco and Atrium Projects, all matters that were described in the contract of sale for the Deereco and Atrium Projects by which Contributor acquired the limited liability

company interests in Deereco and Atrium (the "DEERECO/ATRIUM CONTRACT") as matters to be apportioned between the seller and purchaser at the Closing under the Deereco/Atrium Contract, shall be similarly apportioned between Contributor and Acquiror at the closing hereunder in accordance with the provisions of the Deereco/Atrium Contract. Except to the extent otherwise expressly provided in this Agreement, with respect to apportionments hereunder for the Brown's Wharf Project, all matters that were described in the contract of sale for the Brown's Wharf Project by which Contributor acquired the limited liability company interests in Brown's Wharf (the "BROWN'S WHARF CONTRACT") as matters to be apportioned between the seller and purchaser at the closing under the Brown's Wharf Contract, shall be similarly apportioned between Contributor and Acquiror at the Closing hereunder in accordance with the provisions of the Brown's Wharf Contract.

17.1. Distributions in respect of the LP Units acquired by the LP Unit Recipients shall begin to accrue from and after the Closing Date (notwithstanding the fact that such date may not be the applicable Record Date under the Partnership Agreement), and the amount of distributions paid or to be paid to the LP Unit Recipients for any quarter shall be prorated accordingly;

17.2. Such other items that are customarily prorated in transactions of this nature shall be ratably prorated.

For purposes of calculating prorations, Acquiror shall be deemed to be in title to the Project, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire Closing Date. All such prorations shall be made on the basis of the actual number of days of the year and month that shall have elapsed as of the Closing Date. Bills received after

the Closing that relate to expenses incurred, services performed or other amounts allocable to the period prior to the Closing Date shall be paid, in cash, by Contributor, to the extent due and owing. Bills received by Contributor after the Closing Date that relate to expenses incurred, services performed or other amounts allocable to the period on or after the Closing Date, shall be paid, in cash, by the Acquiror, to the extent due and owing.

18. CLOSING EXPENSES. Unless the Assumed Indebtedness is assumed by Acquiror (in which case the provisions of Section 3.3 shall apply), Contributor will pay the entire cost of all release fees, prepayment fees and any other fees in connection with the payoff, release and satisfaction of the Assumed Indebtedness and all fees imposed by its accountants and attorneys in connection with this Agreement and the transaction contemplated hereunder. The provisions of this Section 18 shall survive the Closing without time limitation.

19. DESTRUCTION, LOSS OR DIMINUTION OF REAL PROPERTY. If, prior to the Closing, all or any portion of any Project is damaged by fire or other natural casualty (collectively, "DAMAGE"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively, "EMINENT DOMAIN"), then the following procedures shall apply:

19.1. Acquiror shall close and take the Project in question as diminished by the Damage or Eminent Domain, as the case may be, subject to a reduction in the Contribution Consideration otherwise due at the Closing, in the amount set forth in Section 19.2 below.

19.2. At the Closing, Contributor shall assign or pay over to Acquiror all proceeds of Contributor's casualty insurance proceeds in the case of any Damage (or condemnation awards in the case of any Eminent Domain). In addition, in the case of any Damage, to the extent such amounts are insufficient to pay for the full cost of the repair or replacement of the Project (whether by reason of a deductible, uninsured amount or otherwise), Acquiror shall proceed to close on all of the Projects subject to a reduction in the Contribution Consideration equal to the difference between (a) the amount assigned or paid over to Acquiror, and (b) the amount required to pay for the full cost of the repair or replacement of the Project. Contributor shall fully cooperate with Acquiror in the adjustment and settlement of the insurance claim or governmental acquisition proceeding and if, as of the Closing, the insurance proceeds (or condemnation award) assignable to Acquiror shall not have been collected from the insurer or Governmental Authority, then a cash credit in the amount thereof shall be given to Acquiror, to be repaid to Contributor out of and upon Acquiror's actual receipt of insurance proceeds (or condemnation award). The proceeds and benefits under any rent loss or business interruption policies attributable to the period following the Closing shall likewise be transferred and paid over (and, if applicable, likewise credited on an interim basis) to Acquiror.

19.3. In the event of a dispute between Contributor and Acquiror with respect to the full cost of repair and/or replacement with respect to the matters set forth in this Section 19, an engineer designated by Contributor and an engineer designated by Acquiror shall select an independent engineer licensed to practice in the jurisdiction where the Project in question is located who shall resolve such dispute. All fees, costs and expenses of such third engineer so selected shall be shared equally by Acquiror and Contributor.

20. DEFAULT; INDEMNITY.

20.1. DEFAULT BY CONTRIBUTOR. In the event that the express conditions of Contributor's obligations under this Agreement have been satisfied (or have been waived or deemed waived), and Acquiror has complied with all material terms and conditions set forth in this Agreement to be complied with by Acquiror prior to or at Closing, and Contributor is unwilling or otherwise fails to consummate Closing, then Contributor shall promptly reimburse Acquiror for Acquiror's actual, documented, out-of-pocket expenses incurred in anticipation of consummating the Closing, up to Twenty-Five Thousand Dollars ($25,000), and thereupon Contributor shall, except as expressly provided in this Agreement, have no further obligation or liability to Acquiror under this Agreement, and this Agreement shall be null and void. In the alternative, and the foregoing notwithstanding, Acquiror shall have the right to seek specific performance of Contributor's obligation to contribute the Contributed Interests and complete the Closing hereunder. The foregoing enumerated remedies shall be Acquiror's sole and exclusive remedies hereunder at law or in equity.

20.2. DEFAULT BY ACQUIROR. In the event that the express conditions of Acquiror's obligations under this Agreement have been satisfied (or have been waived or deemed waived), and Contributor has complied with all material terms and conditions set forth in this Agreement to be complied with by Contributor prior to or at Closing, and Acquiror is unwilling or otherwise fails to consummate Closing, then Acquiror shall promptly reimburse Contributor for Contributor's actual, documented, out-of-pocket expenses incurred in anticipation of consummating the Closing, up to Twenty-Five Thousand Dollars ($25,000), and thereupon Acquiror shall, except as expressly provided in this Agreement, have no further obligation or liability to Contributor under this Agreement, and this Agreement shall be null and void. In the alternative, and the foregoing notwithstanding, Contributor shall have the right to seek specific performance of Acquiror's obligation to acquire the Contributed Interests, pay the Contribution Consideration and complete Closing hereunder. The foregoing enumerated remedies shall be Contributor's sole and exclusive remedies hereunder at law or in equity.

20.3. INDEMNIFICATION.

20.3.1. ACQUIROR, THE REIT AND THE UPREIT. Contributor and each LP Unit Recipient, jointly and severally, agree to and do hereby indemnify, defend and hold harmless Acquiror, the UPREIT and the REIT, each of their respective Affiliates, partners, members, officers, directors, shareholders, agents and the employees of any of them, and each of their respective successors and assigns (collectively, the "ACQUIROR INDEMNIFIED PARTIES"), from and against any and all claims, losses, demands, liabilities, suits, administrative proceedings, causes of action, costs and damages suffered by any Acquiror Indemnified Party, but excluding consequential damages, and reasonable attorneys' fees of counsel selected by any Acquiror Indemnified Party and other costs of defense, incurred, arising against, or suffered by any Acquiror Indemnified Party, both known and unknown, present and future, at law or in equity (collectively, "LOSSES"), arising out of, by virtue of or related in any way to, a breach of any representation, warranty or covenant of Contributor set forth in this Agreement, whether discovered before or after the Closing.

20.3.2. CONTRIBUTOR AND THE LP UNIT RECIPIENTS. Acquiror agrees to and does hereby indemnify, defend and hold harmless Contributor and the LP Unit Recipients and each of their respective partners, officers, directors, shareholders, agents and employees, and each of their successors and assigns, from and against any and all Losses arising out of, by virtue of or related in any way to, a breach of any representation, warranty or covenant of Acquiror set forth in this Agreement, whether discovered before or after the Closing.

20.3.3. LIMITATIONS.

20.3.3.1 All representations and warranties set forth in this Agreement shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, regardless of any investigation made by the parties hereto or their representatives, for a period ending on the date which is one year after the Closing Date; PROVIDED, HOWEVER,

that any claim based on a representation or warranty actually known by the indemnifying person to be untrue, without any affirmative duty of investigation, shall survive without limit; PROVIDED FURTHER, HOWEVER, that no claim for breach of a representation or warranty may be brought under this Agreement unless written notice of such claim (stating the date of discovery thereof and the factual basis therefor in reasonable detail) shall have been given on or prior to the last day of the survival period (in which event each such representation and warranty shall survive until such claim is finally resolved and all obligations with respect thereto are fully satisfied). With respect to any claim validly alleging a breach of a representation or warranty hereunder filed within the period set forth above, the obligation to indemnify pursuant to this Section 20.3 shall survive without limit. All covenants, agreements and undertakings hereunder shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, regardless of any investigation made by

the parties hereto or their representatives, without limit (except to the extent expressly provided herein).

20.3.3.2 To the extent that any Contributor's representation or warranty hereunder relates to a specific fact or circumstance which occurred on or prior to Contributor's acquisition of the Contributed Interests, the survival period applicable to such representation or warranty hereunder shall expire contemporaneously with the expiration of the survival period for the corresponding representation or warranty in the Deereco/Atrium Contract or the Brown's Wharf Contract, as the case may be.

20.3.3.3 The indemnification obligations hereunder shall be limited to claims made prior to the last date of survival of the applicable representation, warranty or covenant referred to in this Agreement.

20.3.3.4 The amount of the indemnifying party's liability under this Agreement shall be determined taking into account (A) any applicable insurance proceeds actually received by the indemnified party, and (B) any other savings realized in connection with such liability that actually reduce the overall impact of the Losses upon the indemnified party.

20.3.3.5 Each indemnified party shall give reasonably prompt notice to each indemnifying party of any action or proceeding commenced against the indemnified party in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party (i) shall not relieve it from any liability which it may have under any indemnity provided herein unless and to the extent it did not otherwise learn of such action and the lack of notice by the indemnified party results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) shall not, in any event, relieve the indemnifying party from any obligations to any indemnified party hereunder other than its indemnification obligation. If the indemnifying party so elects within a reasonable time after receipt of such notice, the indemnifying party may assume the defense of such action or proceeding at such indemnifying party's own expense with counsel chosen by the indemnifying party and reasonably acceptable to the indemnified party. If an indemnifying party does not assume such defense, after having received the notice referred to in the first sentence of this Section 20.3.3.5, the indemnifying party or parties will pay the reasonable fees and expenses of counsel for the indemnified party or parties. In such event however, no indemnifying party will be liable for any settlement effected without the written consent of such indemnifying party. Except as specific in this Section 20.3.3.5, if an indemnifying party is entitled to assume, and assumes, the defense of such action or proceeding in accordance with this Section, such indemnifying party shall not be liable for any fees and expenses of counsel for the indemnified parties incurred thereafter in connection with such action or proceeding.

21. SUCCESSORS AND ASSIGNS. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and permitted assigns. Neither party hereto shall have any right to assign this Agreement or its rights hereunder; provided, however, subject to the provisions of Section 2.1 hereof, Acquiror shall prior to Closing assign its right, title and interest under this Agreement to the UPREIT (or a successor partnership) but shall not otherwise assign any of its rights hereunder.

22. LITIGATION. In the event of litigation between the parties with respect to the Project, this Agreement, the performance of their respective

obligations hereunder or the effect of a termination under this Agreement, the losing party shall pay all costs and expenses incurred by the prevailing party in connection with such litigation, including reasonable attorneys' fees of counsel selected by the prevailing party. The parties hereby further acknowledge and agree that in the event of litigation between them, as contemplated above, and the resolution of that litigation through compromise, settlement, or partial judgment, the court before which such litigation is initially brought shall have the right to allocate responsibility, between Contributor and Acquiror, for all costs and expenses (including attorneys' reasonable fees) incurred by both Contributor and Acquiror in the pursuit of that litigation resolved through compromise, settlement or partial judgment. Notwithstanding any provision of this Agreement to the contrary, the obligations of the parties under this Section 22 shall survive termination of this Agreement and the Closing, if applicable.

23. NOTICES. Any notice, demand or request which may be permitted, required or desired to be given in connection therewith shall be given in writing and directed to Contributor and Acquiror as follows:

<TABLE>
<CAPTION>

<S>	<C>
Contributor:	United Properties Group, Incorporated 305 W. Grand Avenue, Suite 100 Montvale, New Jersey 07645 Attention: Joseph S. Thompson Telephone: (201) 505-4080 Facsimile: (201) 505-0481
With a copy to its attorneys:	LeBoeuf, Lamb, Greene & MacRae, L.L.P. 125 West 55th Street New York, New York 10019-5389 Attention: James Verscaj, Esquire Telephone: (212) 424-8000 Facsimile: (212) 424-8500
Acquiror:	COPT ACQUISITIONS, INC. c/o Corporate Office Properties Trust 8815 Centre Park Drive, Suite 400 Columbia, MD 21045 Attention: John H. Gurley, Esq. Telephone: (410) 730-9092 Facsimile: (410) 740-1174
With a copy to its attorneys:	MORGAN, LEWIS & BOCKIUS LLP 1701 Market Street Philadelphia, PA 19103 Attention: Eric L. Stern, Esquire Telephone: (215) 963-5000 Facsimile: (215) 963-5299

</TABLE>

Notices shall be deemed properly delivered and received when and if either (i) personally delivered, including via confirmed facsimile; (ii) on the first business day after deposit with a commercial overnight courier for delivery on the next business day; or (iii) five (5) days after having be sent via registered or certified first class mail, postage prepaid, return receipt requested. Any party may change its address for delivery of notices by properly notifying the others pursuant to this Section 23.

24. BENEFIT. This Agreement is for the benefit only of the parties hereto and their nominees, successors, beneficiaries and assignees as permitted in Section 21 above and no other person or entity shall be entitled to rely hereon, receive any benefit herefrom or enforce against any party hereto any provision hereof.

25. LIMITATION OF LIABILITY. All liabilities and obligations of Acquiror under this Agreement shall be those of Acquiror only. Subject to the consummation of the Assignment, Contributor shall not, under any circumstances, look to any person or entity other than Acquiror, including any Affiliate of Acquiror, for performance or satisfaction of Acquiror's obligations and liabilities in connection with this Agreement. Without limiting the foregoing,

none of the REIT or any Affiliate of Acquiror or their respective members, partners and shareholders shall incur any liability under any document or agreement required in connection with this Agreement, and Acquiror shall not be required (in connection with this Agreement) to execute any document or agreement. that does not expressly exculpate and release such parties and their respective successors, assigns, affiliates, officers, shareholders, partners, employees, agents and representatives from any liability or obligation arising out of, or in connection with, this Agreement. Except as otherwise specifically provided in this Agreement, none of the UPREIT, the REIT and Acquiror shall assume or discharge any debts, obligations, liabilities or commitments of Contributor, whether accrued now or hereafter, fixed or contingent, known or unknown.

26. BROKERAGE. Acquiror and Contributor each represents to the other that it has not dealt with any broker or agent in connection with this transaction Each party hereby indemnifies and holds harmless the other party from all loss, cost and expense (including reasonable attorneys' fees) arising out of a breach of its representation or undertaking set forth in this Section 26. The provisions of this Section 26 shall survive Closing or the termination of this Agreement.

27. REASONABLE EFFORTS. Contributor and Acquiror shall use their reasonable, diligent and good faith efforts, and shall cooperate with and assist each other in their efforts, to obtain any and all consents and approvals of third parties (including governmental authorities) to the transaction contemplated hereby, and to otherwise perform as may be necessary or otherwise reasonably requested by the other party to effectuate the transfer of the Project to Acquiror in accordance with, and to otherwise carry out the purposes of, this Agreement.

28. MISCELLANEOUS.

28.1. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

28.2. TIME OF THE ESSENCE. Time is of the essence of this Agreement. If any, date herein set forth for the performance of any obligations by Contributor or Acquiror or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the State of Maryland for observance thereof.

28.3. CONDITIONS PRECEDENT. The obligations of the parties to consummate the transactions contemplated hereby are subject to the express conditions precedent set forth in this Agreement, each of which is for the sole benefit of the applicable party and may be waived at any time by written notice thereof from such party to the other. The waiver of any particular condition precedent shall not constitute the waiver of any other.

28.4. CONSTRUCTION. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Contributor and Acquiror have contributed substantially and materially to the preparation of this Agreement. The headings of various Sections in this Agreement are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

28.5. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

28.6. PARTIAL INVALIDITY. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity of enforceability of any other provision hereof.

28.7. EXPENSES. Except and to the extent as otherwise expressly provided to the contrary herein, Acquiror and Contributor shall each bear its own respective costs and expenses relating to the transactions contemplated hereby, including fees and expenses of legal counsel or other representatives for the services used, hired or connected with the proposed transactions mentioned above.

28.8. CERTAIN SECURITIES MATTERS. No sale of LP Units is intended by the parties by virtue of their execution of this Agreement. Any sale of LP Units referred to in this Agreement will occur, if at all, upon the Closing.

28.9. CERTAIN SCHEDULES. Schedules 10.5, 10.6, 10.7, 10.9, 10.10, 10.11 and 10.12 hereto which are incomplete as of June 23, 1999 shall be prepared by Contributor and appended hereto prior to the Contract Date. Contributor shall not knowingly create or suffer the creation of matters which shall be the subject of such disclosure schedules and shall use reasonable efforts to notify Acquiror as promptly as possible once Contributor acquires knowledge of any such matters.

28.10. COUNTERPARTS. This Agreement may be executed in any number of identical counterparts, any of which may contain the signatures of less than all parties, and all of which together shall constitute a single agreement.

[SIGNATURE PAGE FOLLOWS THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Contribution Agreement the day and year first above written

CONTRIBUTOR AND LP UNIT RECIPIENT:

UNITED PROPERTIES GROUP, INCORPORATED, a New York corporation

By: _____
Name:
Its:

ACQUIROR:

COPT ACQUISITIONS, INC., a Delaware corporation

By: _____
Name:
Its:

EXHIBIT A

LISTING AND LEGAL DESCRIPTION OF EACH PROJECT

<TABLE>
<CAPTION>

Owner	Project Street Address	County	State	RSF.
Deereco	9690 Deereco Road	Baltimore	MD	
Atrium	375 Padonia Road West	Baltimore	MD	
Brown's Wharf	1615, 1625 & 1629 Thames Street	Baltimore	MD	

</TABLE>

[LEGAL DESCRIPTIONS TO BE ATTACHED]

A-1

EXHIBIT B

PERSONAL PROPERTY

[CONTRIBUTOR TO IDENTIFY]

B-1

EXHIBIT C

INVESTOR MATERIALS

[CONTRIBUTOR TO IDENTIFY APPROPRIATE ACCREDITED INVESTOR CERTIFICATION]

C-1

EXHIBIT D

CONTRIBUTOR'S DELIVERIES

(TO THE EXTENT IN THE POSSESSION OF, OR UNDER THE CONTROL OF, CONTRIBUTOR)

1. True and correct copies of the each Tenant's Lease and the tenant account records and payment histories applicable thereto.

2. A rent roll (the "RENT ROLL") indicating all material information pertaining to Tenants such as the name of each Tenant, spaces occupied and vacant (including the rentable square footage of such spaces), Base Rent, escalations, "pass-throughs" (including real estate taxes, utilities, insurance and/or operating expenses), Additional Rent, rent adjustments (including Consumer Price Index, or other adjustments) construction allowances, abatements, concessions, lease commencement and expiration dates, renewal or expansion options, options to purchase, cancellation rights, security and/or other deposits in connection with the Leases.

3. A copy of Contributor's most recent title insurance policy for each Project, and a copy of Contributor's most recent survey of each Project.

4. Copies of all hazard, rent loss, liability and other insurance policies currently in force with respect to each Project.

5. Copies of the current operating budget for each Project.

6. Copies of reviewed financial statements (including statements of assets, liabilities and partner's equity, statements of revenues and expenses, statements of partner's equity and cash flow statements) and all monthly and annual operating statements (collectively, the "FINANCIAL STATEMENTS") for each Project for the current calendar year. Contributor shall deliver to Acquiror all Financial Statements prepared in the ordinary course of business promptly upon preparation thereof relating to periods prior to Closing, even if prepared after Closing.

7. Copies of all guarantees, warranties, engineering and architectural plans and specifications, drawings, CAD diskettes (showing floor plans and/or space plans), studies and surveys relating to each Project (collectively, the "PLANS"), in Contributor's possession or control, and copies of any reports or

studies (including inspection reports of governmental

authorities or insurance carriers), in Contributor's possession or control, in respect of the physical condition or operation of each Project or recommended improvements thereto.

8. Copies of the bill or bills issued, to the extent available, for the current tax year for all real estate taxes and personal property taxes and copies of any and all notices pertaining to real estate taxes or assessments applicable to each Project. Copies of the bills issued, to the extent available, for the current calendar year for all utilities serving each Project. Contributor shall promptly deliver to Acquiror copies of any such bills or notices received by Contributor after the Contract Date, even if received after Closing.

9. Copies of all brokerage commission, management, leasing, maintenance, repair, service, pest control and supply contracts (including janitorial, elevator, scavenger, laundry and landscaping agreements), equipment rental agreements and master antenna agreements (if applicable), and any other contracts or agreements relating to or affecting each Project (other than Major Repair Contracts, as defined herein) or which will be binding upon each Project or Acquiror subsequent to Closing, all as amended (the "CONTRACTS").

10. Copies of all contracts for repairs or capital replacements to be performed at each Project, or covering, such work performed during the two (2) years immediately preceding the Contract Date for a contract price in excess of $10,000.00 (the "MAJOR REPAIR CONTRACTS").

11. Copies of all certificates of occupancy, licenses, permits, authorizations and approvals required by law or by any governmental authority having jurisdiction thereover in respect of each Project, or any portion thereof, occupancy thereof or any present use thereof (the "GOVERNMENTAL APPROVALS").

12. A schedule of all employees of Contributor engaged in the operation or maintenance of each Project, setting forth in respect of each employee: such employee's name, position, duties, current salary or wages, Christmas or other bonus, fringe benefits, accrued vacation time and sick leave, and information as to any other compensation in cash or in kind to which such employee may be entitled.

13. Copies of the documents pursuant to which Contributor is organized and operates its business, together with proof of the authority of the signatory or signatories of this Agreement on behalf of Contributor to execute this Agreement.

14. Copies of all guarantees, warranties and other documents or instruments evidencing or relating to the Improvements or the Personal Property ("WARRANTIES").

15. Copies of all unrecorded easements and licenses of Contributor for the benefit of each Project or portion thereof or of third parties burdening each Project or portion thereof.

16. Copies of all of the Existing Loan Documents (as defined in the body of this Agreement) and any correspondence or notices pertaining thereto.

EXHIBIT E

SEC REPORTING REQUIREMENTS

For the period of time commencing on the date of the Contribution Agreement and continuing through the second anniversary of the Closing Date, Contributor shall, from time to time, upon reasonable advance notice from the REIT, provide the REIT and its representatives, agents and employees with access to all financial and other information in its possession or with respect to which it has reasonable access pertaining to the period of Contributor's ownership and operation of the Project, which information is relevant and reasonably necessary, in the opinion of the REITs outside, third party

accountants (the "ACCOUNTANTS"), to enable the REIT and its Accountants to prepare financial statements in compliance with any or all of (a) Rule 3-14 of Regulation X-X of the Securities and Exchange Commission (the "COMMISSION"); (b) any other rule issued by the Commission and applicable to REIT; and (c) any registration statement, report or disclosure statement filed with the Commission by, or on behalf of the REIT; provided, however, that in any such event(s), the UPREIT shall reimburse Contributor for those third party, out-of-pocket costs and expenses that Contributor incur in order to comply with the foregoing requirements. Contributor acknowledges and agrees that the following is a representative description of the information and documentation that the REIT and the Accountants may require in order to comply with (a), (b) and (c) above. Contributor shall provide such information, and documentation on a per-Project basis, if available.

1. Rent rolls for the calendar month in which the closing occurs and the eleven (11) calendar months immediately preceding the calendar month in which the Closing occurs;

2. Contributor's written analysis of both (a) scheduled increases in base rent required under the Leases, and (b) rent concessions granted in the Leases, and the straight line effect of (a) and (b);

3. Contributor's internally-prepared Financial Statements;

4. Access to the Leases;

5. Contributor's budgeted annual and monthly income and expenses, compared to actual annual and monthly income and expenses;

6. Most currently available real estate tax bills;

7. Access to Contributor's cash receipt journal(s) and bank statements for the Project;

8. Contributor's general ledger with respect to the Project;

9. Contributor's schedule of expense reimbursements required under the Leases;

10. Schedule of those items of repairs and maintenance performed by, or at the direction of Contributor, during Contributor's final fiscal year in which Contributor owns and operates the Project (the "FINAL FISCAL YEAR");

11. Schedule of those capital improvements and fixed asset additions made by, or at the direction of, Contributor during the Final Fiscal Year;

12. Access to Contributor's invoices with respect to expenditures made during the Final Fiscal Year; and

13. Access (during normal and customary business hours) to responsible personnel to answer accounting questions.

EXHIBIT F

AUDIT REPRESENTATION LETTER

[Date]

Dear Sirs:

We are writing at your request to confirm our understanding that your audit of the statement of operating income for the year ended December 31, 1997, was made for the purpose of expressing an opinion as to whether the statement of operating income presents fairly, in all material respects, the results of operations of [Name of Project] in conformity with generally accepted accounting principles. In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made during your audit.

1. All financial records, board minutes and data related to the property have been made available to you.

2. There have been no:

a. Irregularities involving any member of management or employees

who have significant roles in the system of internal accounting control structure.

b. Irregularities involving other employees that could have a material effect on the financial statements.

c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

d. Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

3. There are no:

a. Unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

b. Material liabilities or gain or loss contingencies (including oral and written guarantees) that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.

c. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.

d. Events that have occurred subsequent to December 31, 1997 in the financial statements that would require adjustment to, or disclosure in, the financial statements, except for the sale which you are aware of.

4. Appropriate adjustment, when material, has been made for:

a. Uncollectible amounts recorded under lease contracts.

b. Rental income received in advance.

c. Rent concessions, abatements, or rent holidays.

5. The Company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

6. All significant related party transactions have been properly recorded or disclosed in the financial statements.

7. In the opinion of the undersigned the _____ and _____ financial information provided to you contains all adjustments necessary for a fair presentation of operating income.

By:

[Contributor/Contributor's Manager]

EXHIBIT G

WARRANT AGREEMENT

THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE AND, ACCORDINGLY, MAY NOT BE TRANSFERRED, SOLD, PLEDGED, HYPOTHECATED OR ASSIGNED IN THE ABSENCE OF REGISTRATION UNDER SUCH ACT AND ANY SUCH LAW APPLICABLE THERETO OR AN EXEMPTION THEREFROM.

No. 1 Common Units

FORM OF
WARRANT TO PURCHASE COMMON UNITS OF

CORPORATE OFFICE PROPERTIES, L.P.

Expiration Date:

This Warrant Certificate certifies that United Properties Group, Incorporated, a New York corporation (the "HOLDER"), is the registered holder of this Warrant Certificate (the "WARRANT") to purchase common units (the "COMMON UNITS") of CORPORATE OFFICE PROPERTIES, L.P., a Delaware limited partnership (the "LIMITED PARTNERSHIP"). This Warrant entitles the Holder upon exercise to purchase from the Limited Partnership, during the Exercise Period (as defined below), the number of Common Units as determined under Section 2 below at the initial exercise price per unit (the "EXERCISE PRICE") equal to $.01 upon (1) surrender of this Warrant with the form of election to purchase attached hereto properly completed and executed and (ii) payment of the Exercise Price at the office of the Limited Partnership designated for such purpose, pursuant to and subject only to the conditions set forth in this Warrant. The Exercise Price and number of Common Units issuable upon exercise of this Warrant are subject to adjustment upon the occurrence of certain events set forth herein.

Section 1. EXERCISE OF WARRANT.

(a) Subject to the terms of this Warrant, the Holder shall have the right to exercise this Warrant commencing on the fifth anniversary of the date hereof and ending at 5:00 p.m., Eastern time on the tenth anniversary of the date hereof. If not exercised within the Exercise Period, this Warrant shall become void and all rights hereunder and all rights in respect hereof shall become void and shall cease as of such time.

(b) No fractional units shall be issued upon the exercise of this Warrant (or any portion hereof). In the event that the exercise of this Warrant, in full or in part, would result in the issuance of any fractional Common Unit, the Limited Partnership shall, in lieu of issuing any fractional Common Unit, pay the Holder a sum in cash equal to the then current market price of one common share of beneficial interest, par value $.01 per share ("COMMON SHARE"), of Corporate

Office Properties Trust ("COPT"), the sole general partner of the Limited Partnership, multiplied by such fraction.

(c) This Warrant may be exercised upon surrender to the Limited Partnership at its office (the address of which is set forth below) of this Warrant with the form of election to purchase attached hereto duly filled in and signed, and upon payment to the Limited Partnership of the Exercise Price, subject to adjustment as set forth herein, for the number of Common Units in respect of which this Warrant is then exercised. Payment of the aggregate Exercise Price shall be made in cash or by certified or official bank check payable to the order of the Limited Partnership or wire transfer in immediately available funds to such account as shall be designated by the Limited Partnership.

(d) Upon such surrender of this Warrant and payment of the Exercise Price by the Holder, the Limited Partnership shall issue and cause to be delivered within three (3) business days to the Holder and in the Holder's name, a certificate, receipt or other evidence of ownership for the number of full Common Units issuable upon the exercise of this Warrant.

(e) This Warrant shall be exercisable, at the election of the Holder, either in full or from time to time in part, and in the event that this Warrant is exercised in respect of fewer than all of this Common Units issuable on such exercise at any time during the Exercise Period, the Limited Partnership shall, at the time of delivery of this Warrant, deliver to the Holder a new Warrant exercisable for the remaining number of Common Units, which new Warrant shall in all other respects be identical with this Warrant.

(f) All Common Units issued upon the exercise of this Warrant shall be validly issued and free from all taxes, liens and charges with respect to the issue thereof (other than transfer taxes).

(g) The Limited Partnership shall pay all expenses, taxes (other than transfer taxes or income taxes of the Holder) and other charges payable in connection with the preparation, issuance and delivery of the Warrant and the Common Units issuable thereunder; PROVIDED, HOWEVER, that in no event shall the Limited Partnership pay any costs or expenses incurred by UPG for legal or other professional services in connection with the preparation, issuance and delivery of the Warrant and the Common Units issuable thereunder.

(h) This Warrant shall be canceled and disposed of by the Limited Partnership when surrendered upon exercise. The Limited Partnership

shall keep copies of this Warrant and any notices given or received hereunder available for inspection by the Holder during normal business hours at its office.

Section 2. CALCULATION OF COMMON UNITS. The number of Common Units purchasable upon exercise of this Warrant shall be determined based upon the market price of the Common Shares as follows:

$$CU = \frac{(\text{Target Share Price} - \text{Achieved Price}) \times \text{Common Shares Outstanding}}{\text{Achieved Price}}$$

where:

CU = the number of Common Units exercisable pursuant to this Warrant; PROVIDED, HOWEVER that the number shall not exceed 20% of the Common Shares Outstanding.

ACHIEVED PRICE = The higher of:

a) the highest closing stock price of the Common Shares sustained for 60 days of which 20 must be consecutive during the period between the first day of the second full year following the date hereof and the last day of the eleventh month in the fifth year following the date hereof, or

b) the average closing stock price of the Common Shares for the first fifteen business days of the twelfth month of the fifth year following the date hereof;

PROVIDED, HOWEVER that the Achieved Price shall not exceed $14.21 nor be less than $10.50.

COMMON SHARES OUTSTANDING = the number of Common Shares into which the convertible preferred units issued to UPG by the Limited Partnership pursuant to the Contribution Agreement among UPG, the Limited Partnership and COPT, dated on or about June 25, 1999, are convertible.

TARGET SHARE PRICE = $14.21 - [(14.21 - Achieved Price) x .43].

Section 3. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF COMMON UNITS ISSUABLE. The Exercise Price and the number of Common Units issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth below.

(a) ADJUSTMENT OF EXERCISE PRICE. If COPT (1) pays a dividend or makes a distribution on its Common Shares in Common Shares, (2) subdivides its outstanding Common Shares into a greater number of Common Shares, or (3) combines its outstanding Common Shares into a smaller number of Common Shares, then the Exercise Price shall be adjusted in accordance with the formula:

$$E(1) = E \times \frac{O}{A}$$

where:

E(1) = the adjusted Exercise Price.

E = the current Exercise Price.

O = the number of Common Shares outstanding prior to such action.

A = the number of Common Shares outstanding immediately after such action.

In the case of a dividend or distribution, the adjustment shall become effective immediately after the record date for determination of holders of Common Shares entitled to receive such dividend or distribution, and in the case of a subdivision, combination or reclassification, the adjustment shall become effective immediately after the effective date of such corporate action. The adjustment set forth above shall be made successively whenever any event

listed above shall occur.

(b) WHEN ADJUSTMENT NOT REQUIRED. If COPT shall take a record of the holders of its Common Shares for the purpose of entitling them to receive a dividend or distribution and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(c) ADJUSTMENT IN NUMBER OF COMMON UNITS. Upon each adjustment of the Exercise Price as set forth above, this Warrant shall thereafter evidence the right to receive upon payment of the adjusted Exercise Price that number of Common Units obtained from the following formula:

$$N(1) = N \times \frac{E}{E(1)}$$

where:

N(1) = the adjusted number of Common Units issuable upon exercise of this Warrant by payment of the adjusted Exercise Price.

N = the number of Common Units previously issuable upon the exercise of this Warrant by payment of the Exercise Price prior to adjustment.

E(1) = the adjustment Exercise Price.

E = the Exercise Price prior to adjustment.

(d) NOTICE OF ADJUSTMENT. Whenever COPT intends to take such action that would result in an adjustment to the Exercise Price or number of Common Units underlying this Warrant, COPT or the Limited Partnership shall provide written notice of such adjustment to the Holder not less than 15 days prior to the record date or effective date, as the case may be, of such action, which notice shall (i) describe in reasonable detail the action requiring such adjustment and specify the record date or effective date of such action and (ii) set forth, if determinable, the required adjustment and the calculation thereof. If the required adjustment and calculation thereof are not determinable at the time of such notice, COPT or the Limited Partnership shall give notice thereof to the Holder promptly after such adjustment becomes determinable.

(e) CERTAIN OTHER EVENTS. If any event occurs after the date of issuance of this Warrant as to which the foregoing anti-dilution provisions of this Section 3 are not strictly applicable or, if strictly applicable, would not fairly protect the anti-dilution rights of the Holder in accordance with the essential intent and principles of such provisions, then COPT shall make such adjustments in the application of such provisions as shall be reasonably necessary, in the good faith opinion of COPT, to protect such anti-dilution rights as aforesaid.

(f) REORGANIZATION OF COPT. If any reorganization or reclassification of the shares of beneficial interest of COPT, any consolidation or merger of COPT with another entity, or the sale of all or substantially all of COPT's assets to another entity (any such event a "REORGANIZATION TRANSACTION") shall be effected in such a way that the holders of Common Shares shall be entitled to receive stock, securities, cash or assets in exchange for such Common Shares, adequate provisions shall be made whereby the Holder shall thereafter have the right to purchase and receive upon the basis and the terms and conditions specified herein and in lieu of the Common Units immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby, such shares of stock, securities, cash or assets as may be issued or payable in such Reorganization Transaction in exchange for the number of Common Shares into which the Common Units represented hereby are convertible had such exercise and conversion rights been exercised immediately prior to the Reorganization Transaction. For purposes of this Section 3(f), in the event that a Reorganization Transaction occurs during a period when the Achieved Price is determinable, then the number of Common Units underlying this Warrant shall be calculated in accordance with Section 2 and if the Reorganization Transaction occurs prior to the time that the Achieved Price is determinable, then this Warrant shall be deemed to be exercisable for that number of Common Units as the parties working together in good faith, using their diligent, reasonable best efforts shall agree.

Section 4. RESERVATION OF COMMON SHARES. Prior to the fifth anniversary of the date hereof and until the termination of the Warrant, COPT shall reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting the exchange of Common Shares for the Common Units

underlying this Warrant, a number of Common Shares as shall from time to time be sufficient to effect such exchange, and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect such exchange, COPT will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued

Common Shares to such number as shall be sufficient for such purpose. Without limiting the foregoing, neither COPT nor the Limited Partnership shall by any action including, without limitation, amending its organizational documents or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance of performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder against impairment.

Section 5. MUTILATED OR MISSING WARRANT CERTIFICATE. In case this Warrant is mutilated, lost, stolen or destroyed, the Limited Partnership shall issue, in exchange and substitution for and upon cancellation of the mutilated Warrant, or in lieu of and substitution of this Warrant, a new Warrant of like tenor and representing an equivalent number of Common Units, but only upon receipt of evidence reasonably satisfactory to the Limited Partnership of such loss, theft or destruction of this Warrant.

Section 6. RESTRICTION ON TRANSFER. This Warrant shall be non-transferable and may only be exercised, in whole or from time to time in part, by the Holder.

Section 7. NOTICES GENERALLY. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery or delivery by confirmed telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses and facsimile numbers for such communications shall be.

<TABLE>
<CAPTION>

<S>	<C>	<C>
(i) If to the Limited Partnership:	Corporate Office Properties, L.P. 8815 Center Park Drive, Suite 400 Columbia, MD 21045-2272 Attention: General Counsel Facsimile: (410) 740-1174	
(ii) If to the Holder:		
	Attention: General Counsel	
	Facsimile:	

</TABLE>

or at such other address as either party shall have specified by notice in writing.

Section 8. SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Warrant shall be binding upon and inure to the benefit of the parties and their successors and assigns. COPT and the Limited Partnership may assign their obligations under this Warrant, including by operation of law, in the event of a consolidation, merger or sale of all or substantially all of its assets, provided that such assignee assumes all obligations of COPT or the Limited Partnership, as applicable, hereunder, and appropriate adjustment of the provisions contained in this Warrant is made to place the Holder in the same position as it would have been but for such consolidation, merger or sale.

Section 9. WAIVERS. No waiver by either party of any default with respect to any provision, condition or requirement of this Warrant shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise

of any such right accruing to it thereafter.

Section 10. GOVERNING LAW. This Warrant shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed and enforced in accordance with the internal laws of such state without regard to such state's principles of conflict of laws.

Section 11. AMENDMENT. This Warrant may be amended only by a written instrument, signed by the Holder and the Limited Partnership, which specifically states that it is amending this Warrant.

Section 12. HEADINGS. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

Section 13. SEVERABILITY. If any provision of this Warrant is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto will not be materially and adversely affected thereby, such provision will be fully severable.

Section 14. ENTIRE AGREEMENT. This Warrant contains the entire understanding of the parties with respect to the matters covered hereby, and except as specifically set forth herein, neither of the parties hereto makes any representation, warranty, covenant or undertaking with respect to such matters.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Limited Partnership has caused this Warrant to be duly executed by an authorized officer.

Dated:

CORPORATE OFFICE PROPERTIES, L.P.,
a Delaware limited partnership

By: CORPORATE OFFICE PROPERTIES TRUST,
a Maryland Real Estate Investment Trust,
its sole General Partner

By: _____
Name:
Title:

[Form of Election to Purchase]

(To be Executed upon Exercise of this Warrant)

The undersigned registered holder of this Warrant irrevocably exercises the attached Warrant for and purchases _____ Common Units and tenders payment for such Common Units to the order of Corporate Office Properties, L.P. in the amount of $_____ in accordance with the terms of the attached Warrant. The undersigned requests that certificate(s) for such Common Units be issued and registered in the name of _____, whose address is _____ and that such certificate(s) be delivered to_____ whose address is _____ . If said number of Common Units is less than all of the Common Units purchasable under this Warrant, the undersigned requests that a new Warrant representing the remaining balance of such Common Units be registered in the name of _____ , whose address is _____ and that such Warrant be delivered to _____ whose address is _____.

Date: _____

By: _____
Name: _____
Its: _____

ATTACHMENT

ILLUSTRATION OF THE COMMON UNIT CALCULATION AS SET FORTH IN SECTION 2:

If the actual Achieved Price is $13.00 per share, the Target price = $13.69 computed as follows:

$14.21 - [($14.21 - $13.00) x 0.43] = $13.69

and the number of common units is 126,643 computed as follows:

($13.69 - $13.00) = $0.69 x 2,381,000/$13.00 = 126,376 rounded to 126,643 per common units table below

Common Units Table (as assumed issuance of $25,000,000.00 in preferred units):

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ACHIEVED PRICE	NUMBER OF COMMON UNITS	% OF COMMON ISSUED
<S>	<C>	<C>
$14.21	0	0.00%
$14.00	20,409	0.86%
$13.80	40,424	1.70%
$13.60	61,028	2.56%
$13.40	82,247	3.45%
$13.20	104,109	4.37%
$13.00	126,643	5.32%
$12.80	149,882	6.29%
$12.60	173,858	7.30%
$12.40	198,608	8.34%
$12.20	224,169	9.41%
$12.00	250,583	10.52%
$11.80	277,891	11.67%
$11.60	306,142	12.86%
$11.40	335,383	14.09%
$11.20	365,669	15.36%
$11.00	397,056	16.68%
$10.80	429,606	18.04%
$10.60	463,384	19.46%
$10.50	476,200	20.00%

</TABLE>

EXHIBIT H

AMENDMENT TO PARTNERSHIP AGREEMENT

The Amendment shall reflect, incorporate and give effect to the provisions of (i) Sections 2 and 3 of the Contribution Rights Agreement dated June 23, 1999, between the UPREIT and Contributor, and (ii) Section 3 of this Agreement.

SCHEDULE 4.1.2

LP UNITS SCHEDULE
(DISTRIBUTION AT CLOSING)

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LP Unit Recipient	Ownership Percentage in the Project	Number of LP Units
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[CONTRIBUTOR TO IDENTIFY]

SCHEDULE 5.2

PROJECT CONTACTS

[CONTRIBUTOR TO IDENTIFY]

SCHEDULE 10.5

CONDEMNATIONS NOTICES

SCHEDULE 10.6

EXISTING VIOLATIONS

SCHEDULE 10.7

EXISTING LITIGATION

SCHEDULE 10.9

EXISTING TENANT DEFAULT NOTICES

SCHEDULE 10.10

CONTRACTS

[CONTRIBUTOR TO IDENTIFY]

SCHEDULE 10.11

WARRANTIES

SCHEDULE 10.12

EXISTING ENVIRONMENTAL MATTERS

SCHEDULE 10.13

ASSUMED INDEBTEDNESS

[CONTRIBUTOR TO IDENTIFY]

<TABLE>
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Owner	Project Street Address	Outstanding Principal Balance	Interest Rate
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Deereco	9690 Deereco Road		
Atrium	375 Padonia Road West		
Brown's Wharf	1615, 1625 & 1629 Thames Street		

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SCHEDULE 11.1.4

<TABLE>
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OWNERSHIP INTERESTS

Owner of Partnership Interest	Residence/State of Formation	Type of Interest	Percentage
<S>	<C>	<C>	<C>

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[CONTRIBUTOR TO IDENTIFY]

SCHEDULE 12.4

DISCLOSED UNPERFORMED ALTERATIONS, INSTALLATIONS, DECORATIONS AND OTHER WORK

[LIST TO BE ATTACHED]

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